FBIS DAILY REPORT

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OAS CONTINUES INVESTIGATION IN COSTA RICA

ARDE Document on Incident

PA152321 San Jose Radio Reloj in Spanish 0100 GMT 15 Jun 85

[Text] Members of the Democratic Revolutionary Alliance [ARDE] have given OAS Secretary General Joao Clemente Baena Soares a document summmarizing what happened on 31 May in Costa Rican territory. The document points out that the events that an OAS commission is investigating began on 26 May when the Sandinist People's Army [EPS] increased its attacks on the revolutionaries [as heard] to dislodge them from El Castillo, Rio San Juan Department [Nicaragua]. Jose Davila, the ARDE leader who signed the document, notes than the Sandinist Army's offensive continued on 27, 28, and 29 May against Tango bases 1 and 2 and then the EPS entered Costa Rican territory in an area known as Las Crucitas and ambushed the Costa Rican civil guardsmen on 31 May. The Judicial Investigation Agency [OIJ] says that the EPS killed the two civil guardsmen. In a report presented to the San Carlos Court of Justice, the OIJ affirms that the EPS is responsible for the death of the two civil guardsmen in the Las Crucitas area on 31 May. The OIJ reported that the two guardsmen died as a result of shots fired by EPS arms, but it has not been possible to establish the basis for this conclusion by the investigators because the court has ruled that these records are secret.

Monge Meets With Commission

PA171946 San Jose Radio Reloj in Spanish 1200 GMT 17 Jun 85

[Text] Yesterday, Costa Rican President Luis Alberto Monge received the OAS investigating commission. The meeting, which took place at the Presidential House in El Zapote, lasted 1 hour. During the first 30 minutes only Foreign Minister Carlos Jose Gutierrez and Deputy Foreign Minister Jorge Urbina Ortega participated in the presidential meeting with the five delegates of the commission. Later, the meeting included all the members of the commission, including the military advisers and the aides of each delegation.

Monge has said that the commission has been given all the information available. He said that he has fulfilled his obligation of receiving the members of the OAS investigating commission headed by the secretary general of the inter-American organization and that Costa Ric has supplied as much information as possible. He noted: I have been thinking carefully about our relations with Nicaragua in the framework of the Central American conflict and I have supplied this information to the OAS and the Contadora Group. Now, the president said, all Costa Ricans must cooperate so that the commission may accomplish its task with understanding and the necessary cooperation.

President Monge took advantage of his meeting with the OAS investigating commission to analyze the Costa Rican situation in the framework of its relations with Nicaragua and the Central American conflict. The president also referred to the role the OAS and the inter-American legal system play in the case of aggression against countries that do not maintain armies, such as Costa Rica. He also gave his opinion of Contadora.

The meeting turned out to be an exchange of points of view and opinions. The president said that he did not insist on discussing events that took place in the Las Crucitas border region because the commission has information and evidence that it will be able to confirm with the trip to the area.

The Nicaraguan Government has asked the investigations commission for an audience and has asked Costa Rica for permission to send two Sandinist officials to Liberia. Deputy Foreign Minister Jose Leon Talavera and the Sandinist Army commander for south Nicaragua, Roberto Calderon, will be arriving at noon today with the Costa Rican Government's authorization. The two officials will be received in private audience by the commission. The meeting will take place at noon today in Liberia which is the alternate operations headquarters of the commission.

Costa Rican Foreign Minister Carlos Jose Gutierrez said regarding the arrival in Liberia at noon today of the two Nicaraguan officials that Nicaragua is entitled to present its own points of view to the investigating commission. For this reason, when the commission asked if the two officials would be allowed to come to Costa Rica we immediately said yes, the foreign minister noted. The two Nicaraguan officials will return to their country once their meeting with the investigating commission in Liberia concludes.

Commission Inspects Las Crucitas

PA172221 Panama City ACAN in Spanish 1920 GMT 17 Jun 85

[By Wilfredo Chacon]

[Excerpts] Liberia (Costa Rica), 17 Jun (ACAN-EFE) -- The commission sent by the OAS to investigate the ambush of the Costa Rican Civil Guard inspected the site of the ambush today in the Las Crucitas sector near the Nicaraguan border. Upon his return, OAS Secretary General Joao Clemente Baena Soares and the Foreign ministers of Venezuela, Mexico, Panama, and Colombia, comprising the Contadora Group, were lodged 80 km from the Nicaraguan border to continue hearing testimony. A Sandinist mission "without weapons or bodyguards" and led by Deputy Foreign Minister Jose Leon Talavera was received at noon by the OAS envoys with the Costa Rican Government's authorization. Even though no details of the meeting have been publiicized, it was learned that the Nicaraguans presented their version of the incident and offered the testimony of Commander Roberto Calderon, chief of the Sandinist People's Army (EPS) in the area of the conflict.

Sources close to the investigating commission unofficially told ACAN-EFE that the evidence collected at the attack site "is vitally important" to clarify the case, as asserted by the OAS Permanent Council. The Costa Rican Civil Guard organized the vigilance of the region while the investigation was carried out at Las Crucitas using two helicopters on loan from Panama and policemen transferred from other border posts. The Nicaraguan authorities also implemented a cease-fire for the duration of the inspection. According to government spokesmen, no incidents took place. Deputy Foreign Ministers Guillermo Fernandez de Soto (Colombia), German Navas Carrillo (Venezuela), Ricardo Valero (Mexico), and Jose Maria Cabrera (Panama), and OAS Secretary General Joao Clemente Baena Soares went to the ambush site to reconstruct the event. Costa Rica presented a document on the incident to the commission that includes a summary of the 63 previous border incidents denounced by the country. According to the Costa Rican foreign minister, most of these incidents have not received the attention of the Nicaraguan Government. The Contadora Group deputy foreign ministers and the OAS secretary general also received the Nicaraguan version of the incident and the acquittal evidence presented by Deputy Foreign Minister Talavera and Commander Calderon.

At least two of the deputy foreign ministers, from Panama and Venezuela, will travel to Panama City tonight in order to attend the Contadora Group meeting with Central American plenipotentiary representatives scheduled for tomorrow.

ALFONSIN ANNOUNCES NEW ECONOMIC MEASURES

PY150050 Buenos Aires Domestic Service in Spanish 0000 GMT 15 Jun 85

Address to the nation by President Raul Alfonsin from Government House in Buenos Aires on 14 June -- recorded]

[Text] Argentines: Beginning in the next few hours our nation will be faced with the implementation of a final decision. Thus, together the people and government will launch actions on which Argentina's future will depend.

I announced on 26 April that we were faced with a war economy. The war economy, if that is how one wants to call the course of these actions whose goal is to put in order a battered and destroyed nation, cannot be regarded merely as a set of contingency and technical government measures. It is much more than that. It must also be a general mobilization of all the human and material resources society can draw upon.

I come to you today to explain the battle plan, so that together we may close once and for all the chapter of national dependency.

I have spoken in the past about a decisive battle that lay ahead of us. Our enemy is poverty, stagnation, and a certain chronic inability to come up with concrete and effective responses. Our weapons are our arms and our minds. The country needs us. We have no other option. We must rebuild Argentina. However, faced with this razed land, with obsolete structures, with most of the productive systems destroyed and with the technically more developed nations pulling farther ahead of us all the time, we cannot waste a single minute on anachronistic illusions or on listening to siren songs. I do not think that there is anyone left in Argentina still believing in miracles of this kind because we all know full well that great accomplishments come in the wake of toil and effort. We must escape from backwardness; we must escape from poverty and dependence.

Let us then together launch the battle against frustration, against the hopelessness which for decades has burdened Argentines. For years we have foolishly allowed our country to get away from us; for years it has grown smaller, it has grown sadder. A nation cannot have survival as its only goal. Survival may, on occasion, become the sole purpose of the individual, but never can it be a national objective. Nevertheless, that is what has happened. We withdrew into ourselves to resist, to endure alone the ever increasingly hard conditions prevailing in Argentina and in our own lives. We forgot that there is no permanent individual prosperity, that there can be no stable well-being when the national drive is lost.

The national drive cannot under any circumstances be for survival alone. I am sure that God has given us this Argentina of ours so that we could survive. The destiny of the Argentines is not to be mediocre. The destiny of this nation is not to be permanently weak.

I am talking to you today during difficult times for everyone about the fate of the nation because I am convinced that the fate of each Argentine will be the same as that of the nation as a whole.

In just a few moments the economy minister will explain to you the economic plan for a national reform which we are implementing. I would like to warn you that it is not a set of measures designed to overcome the current crisis. It is much more; it constitutes an in-depth reform of our economic system and its objective is to rebuild and modernize Argentina.

No one must be mistaken about what has just begun. We are casting off the entire burden which has prevented Argentina from taking off. This plan has not been conceived merely to resolve a few current problems. The economic reform will be a tool to bury once and for all the past which has for decades been plunging us into one crisis after another. Thus, the objective is not to improve some economic index or another, the objective is to make the nation's economy take off.

Furthermore, if the economic problem is not resolved, the political life of the nation will undoubtedly face serious risks. Perhaps the peaceful, democratic, and civilized coexistence of all Argentines will not have much of a chance if economic affairs are not settled once and for all.

Everyone must be clearly aware of what is at stake. The reform plan is not meant to save a government, it is meant to save a political system, to save a way of life, and it is also aimed at recovering national pride and ambition.

None of this will come easily. However, we must be aware that the plan has both a solid technical foundation and moral roots. Moral in economy means certain concrete things. This reform is not designed so that some people can go on living as if nothing has happened while the immense majority of our people, especially the workers, do all the work. This is immoral and we will not tolerate immorality. Thus, there will be efforts and punishments. The effort will be made by all Argentines. The punishments will be imposed on those who go on believing that they can use the country and people for their own personal benefit. The punishment will be imposed on speculators, on those who believe that money is good only to make more money.

The foremost objective of the first stage of the reform plan is the struggle against inflation. There can be no production, nor can one imagine investments, with the current rate of inflation. However, there is something even more serious: Inflation has become the source of all kinds of social concerns. No one, especially the worker, can enjoy a minimum of tranquillity while inflation erodes his salary and makes it impossible for him to be sure whether his wages will get him to the end of the month.

With this rate of inflation it is impossible to consider a gradual approach. What would be the point in cutting inflation from 30 to 29 percent or from 29 to 28 percent a month, when all of these figures are equally intolerable. What we need is a drastic cutting policy. Thus, we have decided to freeze prices and utilities as well as salaries. We are aware that this is an extreme measure. We are also aware, in the light of Argentina's past experience, that this freeze by itself is not enough. It must come together with other in-depth, structural changes.

Price controls can only disguise an inflation which goes on underground and sooner or later bursts through to the surface. This is especially true when the freeze is looked upon, as we look upon it, as a temporary measure.

A strong economy requires clear market rules, but it also requires a healthy market. Thus, the objective of this stage is to seek an ever increasingly free market, which first of all must be streamlined. Therefore, we have decided first of all to break the momentum of inflation because if we do not put an end to the fears of more inflation, these very fears will continue generating more inflation.

In the second place, the freeze on prices, utilities, and salaries is an exceptional instrument and as such it can only have meaning if applied within the framework of an in-depth reform. Thus, in order for this freeze to be more than a mere administrative illusion in the struggle against inflation, we will attack the roots of inflation itself.

The monetary reform we are implementing with the creation of a new Argentine currency is the basic instrument to keep inflation at a low level, and to achieve a quick freeing of the market. The monetary reform represents a basic change. The Central Bank is not going to issue any more currency to satisfy the requirements of the treasury. In other words, public expenditures will have a genuine financing and will not rely at all on the possible issuance of new money.

That is why it has been necessary to adjust utilities along with a redefinition of the national budget to reduce to a minimum the public deficit. This objective will be achieved with everyone's efforts. Also the credit capacity of the economy will be the result of genuine monetization. In other words, credit will not result from the issuance of money. This means that during the next few months the necessary efforts will be made to get the financial system to obtain savings. Therefore, this stage of the reform plan means to put an end to the indexing of the economy. In other words, this stage of the reform is based on three principles: freezing, monetary reform, and genuine financing of public expenditures and credit.

I do not doubt the Argentine people's capabilities of going along with this plan. I do not doubt the people's will to struggle. However, I am aware that any effort must have clear goals. Every citizen must know why he is being asked to make sacrifices now. Everyone should know what awaits at the end of this period, what we are searching for as a result of this effort.

I do not beleive it is possible to struggle for something that is not known; we must clearly convey our goals and the problems involved in each step. If we do not continuously talk about the goals we are achieving and those that still remain to be achieved, some people may get discouraged. Therefore, the reform plan, and I want to emphasize this, requires everyone's participation to achieve the goals, to make the plan succeed. Participation is necessary so that every man and woman can feel responsible for fulfilling the plan. Everyone should become aware that no one has the right to steal from the efforts of others. Every Argentine should be willing to passionately defend the goals of this struggle because this struggle, these basic reforms should be nourished with a national passion.

We are going to defeat the greatest threat, the skepticism which has so many times and for so long been the cause of frustrations, errors, and decadence. Sometimes it even seemed that the frustration was so great that some people lost the will to struggle. I would like to say to the skeptics that this land, this nation is not for them. I must say that at the end of the last century an unknown country, desolate and poor, rose up over its difficulties to become the fifth country of the world in the wealth of its inhabitants. Who were the ones who built that country? The skeptics, the doomsayers, the gloomy Argentines? This country was built by Argentines who believed in it, Argentines who had little education and many problems, Argentines who were our fathers and grandfathers. Are we now going to tell our fathers and our children that we cannot do it?

I am convinced that the success of an economic plan lies in its ability to interest the people. There are no perfect plans, but there are possible plans, plans that can draw every woman and every man of a country into the effort.

Economy is not numbers alone; it is basically a coming together of wills and this plan will be successful because it will passionately engage the wills of all Argentines. We must all realize that we have the means necessary to change the country, but these instruments will be only as strong as Argentines want them to be. This is not an ideological struggle, this is a practical and an ethical struggle.

So now I call upon each and every one of you to participate in the building of these concrete, tangible, morally sound objectives. Let us build a serious country, a real country, a country with ambition and pride, fully aware that the effort which we will have to make together will yield results for every one of us. It will be a difficult effort, no doubt, but success is certain. No one can refuse to participate in this effort because it will be tantamount to not caring for one's future.

Nothing can be harsher than a hopeless crisis. Which is harder, permanent crisis or the struggle to overcome it? Struggle is the only possible course and this is the course we must follow, this is the course we will follow. It can be done, it must be done, and it will be done because Argentina needs its people and because most of our people are ready to win this battle.

ECONOMY MINISTER SOURROUILLE EXPLAINS MEASURES

PY150227 Buenos Aires Domestic Service in Spanish 0021 GMT 15 Jun 85

[Speech to the nation by Economy Minister Juan Sourrouille from the Economy Ministry in Buenos Aires on 14 June -- recorded]

[Text] Good evening, The president has already pointed out the meaning of the government's call to the country, and he has announced the general guidelines of the plan of economic reform now being implemented.

The government is ready to carry out a firm attack on all fronts against inflation. The country has come close to hyperinflation, that is, a spiral of prices which is eroding the value of money, and compromising the basis of the social and institutional coexistence of the nation.

It is necessary, once and for all, to put an end to inflation. This is demanded by all sectors, by the citizens, and the enterprises, of the government, and the government is going to act. We must put an end to the anxiety and uncertainty generated by spiraling prices. Nothing can be built, nothing can be planned with this situation. We Argentines want to rebuild the country which has been impoverished, and indebted by unpopular policies, and we want to move the country away from stagnation and decadence.

If the current rate of inflation is not drastically reduced, all our hopes, all our plans will be for naught, and the newborn Argentine democracy will suffer a defeat of unpredictable consequences. The government is convinced that the entire country supports its evaluation of the situation, and this is why it has made the struggle against inflation its first priority.

Frequently the people are given proposals and programs of economic reactivation which promise greater levels of production, employment, and salaries. Few of these proposals and programs go beyond the goals which are shared by everyone. However, their weaknesses are the ambiguity of their declarations and their main defect is that they omit any reference to the problems affecting the Argentine people: inflation.

Under the current rate of inflation, no one can believe in the feasibility of such proposals and programs, because under these conditions the economic policies cannot ensure either jobs or higher salaries. The reactivation of economic activity through the expansion of public expenditure and the issuance of money does not help because it only produces spiraling prices.

This is something we have already experienced, and frankly speaking it does not seem sensible to repeat it. This is not the solution at this time. It is good to repeat this because the leaders of the various sectors of the country should speak with responsibility, and not toy with the feelings of the people.

In view of the need to act to defeat inflation we actually have two options: the gradual reduction of inflation, and a drastic and overall attack on inflation. The government believes that under the current circumstances the application of a strategy for a gradual reduction of inflation does not guarantee any success in the struggle.

Because of the momentum created by a persistent inflation and the indexing mechanisms which society has created to protect itself from the effects of that inflation, inflation tends to become chronic and accelerate. With a gradualist approach, inflation's resistance to reduction forces a prolonged application of restrictive monetary policies in order to naturally bring down prices by reducing demand. The main flaw in these policies is not so much the economic recession itself, but its long duration. In the best hypothesis, after long years of high unemployment, inflation comes down only after having caused the destruction of the productive apparatus.

The policy of drastic treatment of inflation that the government has now adopted tries to act on the effects of the above-mentioned momentum and on the structural imbalances that create that momentum. The freezing of prices and salaries is intended to break that momentum and the automatic indexing mechanism. A change must be brought about in the expectations of rising prices and in the indexing clauses of contracts. But this measure would not be successful unless it is accompanied by the elimination of the structural imbalances that are the root of the inflationary phenomenon. To cope with the acceleration of inflation, attempts have been made more than once to halt the escalation of prices and salaries by resorting both to agreed policies and to the freezing of prices and salaries.

Those experiences ended in repeated frustrations because they failed to simultaneously act on the imbalances of public finances which are the main component of inflationary pressures. The achievements of the salary and price policies were thus neutralized by the issuance of paper money, to which the state resorted to absorb its debts. Today, the deficit of the public sector reflects former problems engendered by the management of the state apparatus, and to this a new phenomenon was added, namely, the commitments to payments of the foreign debt. The state has assumed responsibility for the payment of most of the interests on the debt as an additional burden to its current and capital expenditures.

However, because of this new function the state has not been able to generate new genuine resources through tax revenues. The fiscal deficit today reflects to a large degree that imbalance caused by these additional nonfinanced expenditures. Society must finally pay those additional expenditures of the inflationary escalation resulting from the issuance of paper money. Each holder of continuously depreciated money must thus pay the tax implicit in that monetary depreciation. The eliminiation of the public deficit through additional tax and greater utility fees is not accompanied by new demands on society. The larger revenues the state collects are a substitute for the inflationary tax and, consequently, do not represent an additional burden. The containment of public expenditures, on the other hand, helps alleviate the population's burden. To be successful in the fight against inflation it is, therefore, necessary to remove the structural imbalance represented by the public deficit.

In an effort to learn from the errors of the past, the government has decided to consider the struggle against inflation as a priority objective. For some months now, we have tried to rapidly and drastically eliminate the fiscal deficit. To this end, we had to apply substantial readjustments to the utility rates. These readjustments have affected family budgets and company costs, but they have also allowed us to help correct the accumulated deficits and bring fiscal accounts into balance.

Under the prevailing circumstances, the government has preferred to attain these objectives by readjusting utility rates instead of dismissing workers and thus not aggravating the situation of the labor sector.

At the same time, efforts have been made to increase the level of collected taxes by fighting evasion and improving the distribution of the tax burden. To this effect, a number of measures making up the tax reform have been submitted to Congress. A draft law establishing a compulsory saving system has also been submitted to Congress, because of the pressing need for larger fiscal resources. Under the terms of this draft law, higher bracket taxpayers will open savings accounts that will provide significant support to the public sector, which will thus be able to finance social and infrastructural projects.

The government will also seek to correct the fiscal account imbalance by reducing public spending, particularly the current expenses, in the budget that will be in force during the rest of this year. This effort will be undertaken without losing sight of reasonable social equality criteria. Thus, the preservation of employment, the defense of minimum salaries, the social security benefits, the national nutritional plan, and in general, the social spending, have been considered as absolute priority objectives.

All of the above-mentioned measures in the areas of funding and spending have allowed us to rapidly close the fiscal gap. The government's goal is to keep the fiscal deficit at approximately 2.5 percent of the gross national product in the second half of the year. This figure includes the Central Bank deficit and will be financed with foreign credits granted by international agencies and banks.

As of this moment, the public sector will have to defray its spending with genuinely obtained resources, that is, taxes and rates, and with foreign credits. Therefore, it will not be necessary to ask the Central Bank for credit. In other words, it will not be necessary to issue money to finance public spending.

The government is convinced that the successful outcome of the economic policy that is being set in motion will largely depend on fiscal account controls. Just as it is convinced of this, the government is also committed to attaining this goal. The recent agreement reached with the IMF has confirmed this commitment assumed by the government.

Now that the fiscal sector has reached a state of equilibrium, it is possible to proceed with price and salary freezing in order to undertake comprehensive action against inflation.

The price freeze will apply as of 0000 17 June. The ceiling prices will be those in effect at 0000 on 13 June. No price increases established after this date will be accepted unless prompted by higher costs verified and acknowledged by the Secretariat of Domestic Trade.

The price freeze will be applicable to all goods and services. Seasonal products such as fruits and vegetables will be subject to special control on the central market and a margin of profit will be granted to retail merchants.

The government will strive to prevent any harm to the normal exercise of productive and commercial activities. It has been decided to invite all enterprises engaged in various activities to carry out self-control for costs and prices and to give advice to the Commerce Secretariat.

By means of newspapers, television, and radio, as well as other media, the government will convey to the public the list of accepted ceiling prices. These lists will also have to be displayed in the various stores, and bureaus will be established to provide information and to receive complaints related to the enforcement of these measures.

The law on supplies will be applied in full while the actions of the Commerce Secretariat will be coordinated with other government agencies to ensure the success of this operation. However, the government is fully aware that the success of the salary and price freeze depends more on the participation of the enterprises, the workers, and the consumers than on punishments the government could levy. The government is equally aware that this is a temporary measure. The Argentine people must understand that this is an effort of collective solidarity, of mutual support without which government decisions are not effective. Dear housewives and consumers, you will benefit from this policy but you must also defend it.

Decisions similar to those made regarding prices and salaries have been made regarding the exchange rate. The exchange rate was recently adjusted to make it compatible with the anti-inflation policy. These adjustments show that the dollar-peso exchange rate has reached a level suitable for promoting exports. As of tomorrow the rate of exchange will be 0.80 australs per dollar.

The decision to conduct a full-fledged monetary reform is part of the set of measures aimed at putting an end to inflation. Because of its characteristics, this measure is innovative by comparison to standard economic practices and must therefore be explained to avoid confusion in connection with its implementation. Through all the news media the governments will explain all the changes resulting from the monetary reform. In addition to this we will now discuss some of the key details.

The monetary reform consists of the creation of a new currency. In contrast to previous currency changes which only tried to facilitate bookkeeping in a context of high inflation, we are creating a new currency that will not lose its value. The new currency will be called the austral. The government is determined to maintain its stability, and the entire economic policy is geared to that objective. The fiscal deficit will be drastically reduced, the issuance of paper money to finance the public sector will cease, and the revenue policy will be instrumental for an evolution of prices and salaries that is consistent with the new conditions of stability. Contrary to other types of currency that have been instituted before, the austral will be a strong one which will maintain its value without suffering the constant deterioration of former currencies.

To establish its value in terms of the former currency, the austral will be equivalent to 1,000 Argentine pesos. As of tomorrow, prices will be expressed in australs. Thus, three zeroes will be erased from prices. For example, an item that cost 2,000 Argentine pesos before will now cost 2 australs. The bills and coins now in circulation will continue in use, with three zeroes to be taken off. Soon, bills like the ones now in circulation will be issued with a stamp from the currency office to indicate their new denomination. The stamped bills will have the same value as the new currency. In time, the current bills will be replaced by new bills denominated in australs. The use of the new currency will not cause any problems as the form in which cash purchases and sales are transacted will not change. The bills and coins in circulation on 15 June will maintain their full value. The monetary reform does not simply consist in raking zeroes off the new currency, as was done in the past. We have said that the government is determined to maintain the value of the new currency. To this effect, we have taken into consideration the effects of an abrupt decline in inflation. Here we can see the true significance of the monetary reform.

We all know that the Argentine peso was losing value rapidly. For instance, a person who was to receive a sum of Argentine pesos in the next 30 days recognized that he would then be able to buy fewer goods than he could now. Therefore, he legitimately wanted compensation for the loss. In the same way, the person who was to make the payment knew that he had to exert less effort to pay in 30 days than to pay today. So he was willing to delay payment. This is the reason for the high interest contracted during the inflationary periods we have experienced.

But what would happen if inflation were halted abruptly and a given debt had to be paid in the same way as a cash purchase, that is, by converting the debts in australs in accordance with the conversion rate of 1 austral to 1,000 pesos? In this case the debtor would have to spend more to make payments than he would have had inflation continued the same as before. In contrast, the creditor would have a profit he was not expecting. This situation would be unjust because it would generate a strong transfer of income between debtors and creditors, and would seriously harm people and enterprises. In order to prevent the problems which may be created by abruptly halting inflation, the government has approved the following measure:

It has established a scale of conversion of australs into Argentine pesos valid for the next 45 days to honor contracts signed before 15 June. The scale of conversion to prevail from that date on will be announced at the appropriate time. This scale of conversion will decrease with time, that is, as time passes the quantity of australs exchanged for every 1,000 pesos will be less. This decreasing scale of conversion will eliminate the expected and established inflation rate in the agreements signed.

This means that as time passes fewer australs will be needed to pay a debt of a determined number of Argentine pesos. For example, the payment in australs for an article purchased on installment in a fixed amount of pesos will decrease every month, just as the purchasing power of the pesos paid in the past decreased with every payment. At the same time, the creditor will receive fewer australs than he expected to receive in Argentine pesos but he will be able to buy with those bills more than he expected.

In sum, if one looks at the purchasing power of the money paid or received nothing will have changed. Thus a scale of conversion between australs and pesos has been established exclusively to express in australs the value of payments to be made after 15 June, payments which were established in Argentine pesos before that date.

The same procedure will be applied to the payment of installments, rents, utilities, and promissory notes as well as checks when the amount was previously set in Argentine pesos. We reiterate once again that the money in circulation will not be affected by this scale of conversion announced today. It will not be necessary to resort to the scale of conversion for any transaction after 15 June. From that date all transactions will be made in australs. The exception to this rule is the June wages and salaries. They will be paid in australs by using the conversion of 1 austral for 1,000 Argentine pesos, no matter when the payment is made.

Therefore, the readjustments announced at the beginning of this month shall be granted as promised. In June each worker will receive his salary in australs in a quantity equivalent to the salary he earned in May, which was expressed in pesos, plus a 22.6 percent readjustment.

In turn, retirement allowances, which will also be paid in australs, will be readjusted by 25.1 percent on the basis of the allowances paid in May.

If someone's salary in May was 100,000 Argentine pesos, he will be paid 122.60 australs at the end of June. As of that date, salaries will remain frozen.

The government wants to make it clear to the people that the monetary reform does not provide for nor involve the confiscation of savings.

Borrowers of money should not expect that the currency change will lead to a reduction of their debts. The monetary reform is precisely aimed at preventing a substantial redistribution of money among various sectors, and at neutralizing the unwanted effects of passing from an inflation rate of about 30 percent to a situation in which prices are practically stable.

The Central Bank will issue the necessary regulations to prevent the reform from hindering the normal development of exchange and banking operations. Current account balances will be converted to australs on 15 June. The terms of all time deposits and loans contracted before 15 June and expressed in Argentine pesos will remain unchanged. The interest rates, in Argentine pesos, on time deposits and on fixed rate loans will remain unchanged but will be paid in australs at the conversion rate of the day on which they come due.

Depositors will receive a smaller number of australs than the number of Argentine pesos they expected to receive. However, it should be clearly understood that this means neither reduction nor confiscation. The difference will only reflect the abrupt deceleration of inflation. For the same reason, the borrower will also pay an amount in australs which will be less than the amount established in pesos, but in this case there will not be a reduction of the debt.

The deposits and indexed loans made before 15 June will continue to be adjusted according to the agreed formulas. The Central Bank will announce the method by which these operations will be converted into australs. In the meantime, all new operations after 15 June will be made in australs. The interest rates to be fixed will reflect the drastic decrease in price hikes.

The nominal interest rates in the regulated market will be 4 and 6 percent for 30-day deposit and loan operations, respectively. These interests are noticeably less in nominal terms than those now being charged, and yet they will be profitable for savings depositors and obviously positive for borrowers. The depositors must understand that the new interest rates the financial system offers will only allow them to acquire at the end of a financial operation the same volume of goods that they can buy with the high nominal interest rates in Argentine pesos now in force. In the context of the decisions adopted, we are going to maintain a fragment of the market in which the interest rates will be freely contracted.

The drastic and comprehensive attack on inflation that we are now beginning is not a magic and quick solution to the country's economic problems. This is a policy capable of creating the conditions to face up to those problems, and as an instrument it has a greater effectiveness than the gradualist strategy because it permits tangible and positive results in the short term. However, it does not spare society from a difficult period of effort and economic restraint. We know that in the first stage this policy will encounter the foreseeable pessimism of a society which has lost confidence in its currency. As long as the inflationary expectations persist, the real interest rates will continue to be high, and they will be the pacemaker of the economic activity. The end of inflationary expectations and the consequent reduction in interest rates will open the way for the country's economic recovery, the expansion of investments, and growth. We will have a few months of efforts that all sectors must carry out together in order to get Argentina moving again.

For all these reasons, I say to the workers that you more than anyone else understand the cost of the high rates of inflation. Your salaries deteriorate, the money you carry in your pockets loses value day after day, and anxiety invades your homes. The government does not offer you miracles, but asks you to participate in the struggle it begins today. Your salaries will be respected. In June you will be paid the established increase, without any deduction, in australs. I say to the businessmen that you know that with a 30-percent monthly inflation rate, planning production and investment is impossible. On the other hand, to operate with inflation rates above 30 percent creates not only economic but also financial problems. The government does not believe in a policy of price regulation as a long-term mechanism. On the contrary, it believes that at this time it is necessary to resort to price regulations. The freezing of costs will permit us to maintain profits and the operation of enterprises. To the savers, I say that your deposits will not be confiscated, not even partially.

Your deposits will be converted into australs so that you can buy the same volume of goods that you were able to buy in the past. The government will offer you a profitable interest rate on your savings and more security.

Finally, to the Argentines, I say that the government is asking you to join the great undertaking we begin today. The end of inflation is a prerequisite to rebuild the country, to turn it into a prosperous and united society with the capacity to preserve its national autonomy. A country with a wobbly economy and one weighed down by inflation is a country that cannot defend its national interests and cannot make heard its just demands for a more equitable international order in which the Latin American peoples can have the right to development and modernize.

Because these are the aspirations which motivate us in government, because these are the aspirations of all the Argentines, we are going into action and we will begin to move forward today.

ALFONSIN SAYS STRIKES WILL NOT MODIFY REFORM

PY162123 Buenos Aires BUENOS AIRES HERALD in English 16 Jun 85 p 1

[Text] Cordoba (NA) -- President Raul Alfonsin said the economic reform announced last Friday "will not be modified" by possible strike action and emphasized that the main beneficiaries of the plan are the working class. Alfonsin added that the reform is meant not to save the government "but to get the country moving." The president, in Cordoba to visit the military aviation school, told reporters at a press conference that the "plan is tough but the Argentine people understand that we were (formerly) heading down the wrong path."

Asked if his expressions were a self-criticism of past economic policy, Alfonsin said: "I don't want to be made an example of anything; thank God I haven't lost my humbleness, but if errors have been made I assume (responsibility for) them." Alfonsin said as well that the period of sacrifice demanded by the reform "will be shorter than what most people think."

Alfonsin said he was satisfied with the public response to the plan and, referring to the CGT's [General Confederation of Labor] opposition, said "we're going to talk to all sectors" about the reform.

He added that the plan could not be revealed sooner because first "the foreign debt had to be straightened out and the Monetary Regulation Account eliminated. We wanted to do it sooner but there was no way."

The president said that the state would be making the greatest effort of all under the reform. "Do you understand what it means not to turn to the Central Bank, not to turn to (monetary) emission to cover spending? But if we don't do it the plan fails."

Alfonsin admitted that criticism of the plan was to be expected but said what counts is the reform itself. "Although it's true the same old criticisms are going to be made and the same political interests are involved, the main point is that this (the plan) is what matters, this is what is needed, and we have to work with a shock policy, but not the same kind as those which made the working class do all the effort."

Before leaving for Cordoba Alfonsin told reporters that he would send Congress the "forced savings" bill tomorrow. The bill forms part of the tax measures aimed at reducing the public sector deficit -- a basic objective of the reform. Under the bill "those who have more will have to make more significant and more important efforts," Alfonsin said.

SOURROUILLE BEGINS REFORM SUPPORT CAMPAIGN

PY162129 Buenos Aires BUENOS AIRES HERALD in English 16 Jun 85 p 1

[Text] (NA) -- Economy Minister Juan Sourrouille yesterday said the government by itself cannot make its economic reform a success and needs the participation of all Argentines. The government "alone cannot guarantee success with a watch guard next to every citizen. What is needed is for everyone to participate," he told 2,000 Radical Party members kicking off a campaign to support the reform announced last Friday.

Sourrouille also justified the secrecy and the lack of more widespread participation in drafting the reform. "An operation like this one can't be debated before being implemented because then it would risk failing before even getting started."

President Raul Alfonsin gave economic planners "precise instructions" and the job took "three months" to complete, Sourrouille told Radicals at the President Alvear theatre. "The debate and the discussion to perfect the tools (of the reform) begin now," he added.

Sourrouille said the government had to fulfill three conditions before launching the reform: settling the short-term situation of the foreign debt; regain control over the public sector; and obtain reasonable relative prices close to those sought by the various parts of society. The minister also said that the wage and price freeze is not an objective in itself but rather a way of channelling society's efforts. "The wage and price freeze is to halt inflation abruptly. But we're not interested in the freeze as an objective, rather as the reflection of the total efforts of all Argentines in defeating inflation."

CENTRAL BANK PRESIDENT REPORTEDLY RESIGNS

PY151419 Montevideo Radio El Espectador Network in Spanish 1000 GMT 15 Jun 85

[Text] It has just been reported from Buenos Aires that Alfredo Concepcion, president of the Argentine Central Bank, resigned from his post after the government announced its rigorous economic plan.

The local news agency NOTICIAS ARGENTINAS reported, quoting reliable sources, that Mario Brodersohn, the Argentine foreign debt negotiator, will be appointed to assume the Central Bank presidency. Brodersohn recently negotiated with the IMF the continuation of a contingency credit and an economic adjustment plan. The report added that Concepcion's resignation would cause other Central Bank directors also to resign, probably including Vice President Leopoldo Portnoi who is now in Europe.

Meanwhile, the Argentine Central Bank has extended the banking and exchange holiday until Monday, 17 June, within the framework of the program announced by the government. The local news agency, quoting leaks, said that the holiday will also be maintained on Tuesday, 18 June.

Sourrouille Unaware of Resignation

PY151620 Buenos Aires TELAM in Spanish 1527 GMT 15 Jun 85

[Text] Buenos Aires, 15 June (TELAM) -- Economy Minister Juan Sourrouille has stated that the economic measures announced last night are designed to effectively guarantee a decent standard of living for all Argentines. He added that he has no information about the alleged resignation of Alfredo Concepcion, president of the Central Bank of the Argentine Republic [BCRA], or of other BCRA officials.

On his arrival at the Alvear Theater to attend a meeting with Radical leaders of the Federal Capital, Sourrouille said that the measures are designed to interpret the people's feelings, and he made it clear that they will require the people's participation.

THREE CABINET MEMBERS SUBMIT RESIGNATIONS

Interior Commerce Secretary

PY171910 Buenos Aires Domestic Service in Spanish 1600 GMT 17 Jun 85

[Text] Interior Commerce Secretary Julio Mendez has turned in his resignation to President Raul Alfonsin who will decide whether to accept it. Mendez explained that his resignation has nothing to do with the economic plan that was announced by the government late last week. It is for personal reasons.

Treasury Secretary, Fiscal Deputy

PA181233 Paris AFP in Spanish 0516 GMT 18 Jun 85

[Text] Buenos Aires, 17 Jun (AFP) -- Norberto Bertaina, secretary of treasury, and Luis Fadda, under secretary of fiscal policy and administration, submitted their resignations to the economy minister today, a reliable source has reported.

Economy Minister Juan Sourrouille had requested Bertaina's removal. The two disagreed on various matters, particularly on the handling of the negotiations with the IMF, it was revealed.

President Raul Alfonsin allegedly authorized the replacement of Bertaina, who directed the drafting of this year's first fiscal budget. The Congress immediately rejected that budget because it stipulated that the 1985 inflation rate would not exceed 228 percent, when by that time, late April, it had already climbed to 147.3 percent and the annual forecast was estimated to reach more than 1,400 percent.

The same source said that Jose Machinea, current deputy secretary of economic policy, and Mario Brodersohn, president of the National Development Bank, are being mentioned as possible replacements for Bertaina.

With regard to Fadda, it was said that he had resigned months ago, but that he continued to serve in the position to support Bertaina, a situation which has now changed.

MOROCCAN MISSION ENDS JOINT PROJECT NEGOTIATIONS

PY141612 Buenos Aires TELAM in Spanish 0357 GMT 14 Jun 85

[Text] Buenos Aires, 13 Jun (TELAM) -- The mission from the Kingdom of Morocco which has held various negotiations at the official level since the beginning of the week today ended its activities in Buenos Aires. The Moroccan mission held meetings with Vice President Victor Martinez and with ministers and secretaries from the economic, industrial, and commercial sectors. During the meetings, several subjects were discussed, particularly joint cooperation projects in the agriculture, livestock, and mining areas. These subjects and bilateral trade will be discussed during the next meeting of the joint Argentine-Moroccan commission, which is scheduled to be held in Rabat on a date to be set soon.

SILES MEETS WITH MOROCCAN CULTURE MINISTER

PY081340 La Paz Cadena Panamericana in Spanish 1130 GMT 8 Jun 85

[Excerpts] Special envoys of the Kingdom of Morocco have paid a visit to President Hernan Siles Zuazo to brief him on Morocco and discuss bilateral cooperation between the two nations. Culture Minister Mohamed Benissa, Governor Chianli Dlimi, and Dr (?Khali Henna Maa El-Ainai) [word indistinct] for that government.

At the end of the protocol visit, Mohamed Benissa told Radio Panamericana that, basically, the talks centered on an ongoing territorial problem between the Kingdom of Morocco and Spain.

GOVERNMENT AUTHORIZES USE OF SOVIET CREDIT

PY121819 La Paz PRESENCIA in Spanish 7 Jun 85 p 1

[Excerpts] Through two decrees, the government has authorized the utilization of two lines of credit from the Soviet Union for the acquisition of agricultural, mining, and communications equipment, as well as for the private sector.

Decree 20853 authorizes the utilization of a $200-million line of credit granted by the Soviet Union to the state sector for the import of tractors, agricultural and road-building machinery, and mining machinery, including spare parts. These credits are to be repaid over a 10-year period after the delivery of the machinery.

Decree 20854 authorizes the utilization of a $20-million line of credit granted by the Soviet Union to the private sector for the purchase of machinery. These credits are also to be repaid over a 10-year period after delivery of the machinery.

Decree 20854 also establishes that the Central Bank will grant the borrowers the foreign exchange necessary to service the interest and principal of the debts at the rate of exchange in effect at the time of the payments.

INTERIOR MINISTER ON EXPELLED KIDNAPPERS

PY171915 La Paz Cadena Panamericana in Spanish 1700 GMT 17 Jun 85

[Excerpts] In statements to Panamericana, Interior Minister Gustavo Sanchez has referred to press reports on the explusion of two Bolivian citizens from Spain. The two Bolivians kidnapped President Hernan Siles Zuazo in June 1984. The minister said that the extradition of the kidnappers has not been requested. The persons who kidnapped President Siles Zuazo in June 1985 are not coming to Bolivia. They left Spain for Peru, and they are there.

[Begin Sanchez recording] They are in Lima, they did not come to Bolivia. Should they arrive in Bolivia, they will be arrested and handed over to the courts. The Interior Ministry cannot do more than that. We cannot take action in Lima. [end recording]

BRIZOLA CHARGES U.S. WITH MEDDLING; CITES DOCUMENTS

PY172238 Sao Paulo FOLHA DE SAO PAULO in Portugese 15 Jun 85 p 4

[Text] Rio de Janeiro State Governor Leonel Brizola, who was 62, on 14 June charged that the United States is demanding that Brazil hold its constituent assembly separately from the direct elections for president to allow for the "country to choose its friends." He attributes this policy to the U.S. State Department. According to Brizola, this information, contained in secret documents of the U.S. State Department, was given to him by "friends of Brazil." According to the governor, these documents reveal that the U.S. Government has reached the conclusion that the "constituent assembly is unavoidable and that it is necessary that it be held separately from the direct elections for president to guarantee the victory of the conservative and liberal forces."

Brizola has stressed that holding the constituent assembly and the presidential elections at the same time would improve the chances of the Workers Democratic Party and the Workers Party, for example, to elect up to 200 delegates for the constituent assembly and "thus no measure that would be harmful to the national interests would be written into the new constitution." The governor also stated that "we might not win the presidential elections, but we will surely have a popular bloc in the constituent assembly that would be capable of containing the oligarchies that are at the service of multinational capital."

In the governor's opinion "this is way the United States is recommending that the constituent assembly be held in 1986 and the direct elections for president in 1988. If this occurs, we will have a conservative constituent assembly that will have been elected under a sea of corruption and money. It will be reactionary and antinational and it will legitimize the perverse economic system that has prevailed in the country for 20 years."

Brizola has also said that he does not know the purpose of the political pact that has been proposed by President Jose Sarney and he stated that he will only discuss it "if it includes the calling for direct elections of the president together with the constituent assembly in 1986." He also stressed that his disagreement with Brazilian Democratic Mobilization Party [PMDB] "is increasing daily, because the PMDB is helping to carry out all that it condemned when it was in the opposition." For Brizola, "the PMDB is assuming a more sophisticated role, but at the same time it is a role that is very similar to that of the last regime as it wishes to restrict the freedom for which it fought so hard."

William Barr, the press attache at the U.S. Embassy in Brasilia, refused to comment on Brizola's statements. The attache also did not know the whereabouts of Diego Asencio, the U.S. ambassador, who could not be located at the embassy or at his home.

MONTORO WARNS ABOUT 'OPERATION RETURN'

PY141405 Sao Paulo Radio Bandeirantes Network in Porutugese 100 GMT 14 Jun 85

[Text] Sao Paulo Governor Franco Montoro has explained to journalists the so-called "Operation Return." According to the Sao Paulo governor, this is a movement made up of persons who miss the dictatorship. He added that those who promote this movement believe that the Brazilian people are not yet ready to exercise democracy and thus they see the need for dictators and the privileges which characterized the regime that dominated the country for the past 20 years.

Although he avoided identifying the sectors allegedly supporting "Operation Return," Montoro said that the people involved are those who refuse to accept democratic formulas and to account for the use of public funds. Therefore, they prefer to keep those privileges that have caused the recent scandals which have made the newspaper headlines.

Governor Montoro also declined to comment on a recent statement made by former President Geisel [words indistinct] country which according to him may be plunged into chaos, thus inciting a new military intervention. According to Montoro, former President Geisel must be apprehensive about this, since like any Brazilian he does not want the return of an authoritative regime.

MINISTER POINTS OUT NEED TO REEQUIP NAVY

PY120239 Brasilia Domestic Service in Portuguese 2200 GMT 11 Jun 85

[Excerpts] The Navy today commemorated the 120th anniversary of the Brazilian victory in the Battle of Riachuelo in the war against Paraguay. Following the ceremony, Navy Minister Admiral Enrique Saboya pointed to the need to reequip the Navy, taking into account that the Brazilian Navy does not match the size of the country.

[Begin Saboya recording] The Navy believes that it has the forces that society can afford. This is how we see the problem. We also believe that it is our duty to do everything in our power with the means that the nation can give us. We are aware of the difficulties we face and we do not evade the responsibilities that, in our opinion, the Navy must fulfill. [end recording]

All Brazilian Navy units commemorated the Battle of Riachuelo.

LAW GRANTING EXCEPTIONAL POWERS ENFORCED

PY142349 Santiago Domestic Service in Spanish 1730 GMT 14 Jun 85

[Text] The constitutional laws granting exceptional powers to the authorities are now in force since the text of the law was published today in the OFFICIAL GAZETTE under Law No 18,415. The laws are made up of 22 articles which establish that the rights and guarantees that every individual enjoys under the Constitution can only be (?affected) under those situations authorized by the Constitution and whenever they fall under the category of the exceptional measures described therein . It adds that once the state of emergency has been declared, the exceptional powers granted to the president may be totally or partially delegated to those Armed Forces commanders appointed by him, but that these Armed Forces officials do not have the right to prohibit entry into the country or to expel anyone from the country. Moreover, it establishes that the enforcement of the state of emergency [words indistinct] national defense those duties and powers bestowed through the present [word indistinct] law.

Article 12 of the law granting exceptional powers states: It is understood that a constitutional guarantee is suspended when this right is temporarily curtailed during the enforcement of a constitutional measure granting exceptional powers. Moreover, it is understood that the right to exercise a constitutional guarantee is restricted when, during the enforcement of a measure granting exception powers, the right to exercise this constitutional guarantee is limited.

DECREE ENDS STATE OF SIEGE; RESTRICTIONS REMAIN

PY172038 Santiago Domestic Service in Spanish 1730 GMT 17 Jun 85

[Text] The end of the state of siege and the continuance of the state of emergency have been made official through Decree No 795 of the Interior Ministry. The decree ends the state of siege, but extends for another 90 days the state of emergency to all the regions and provinces of the country.

The OFFICIAL GAZETTE also published today Decree No 324 of the Interior Ministry established by Item 12 of Article 19 of the Constitution regarding the publication of opionion and information will be subject, as far as the means of dissemination are concerned, to the law on abuse of publicity, with the following restrictions: Information or opinion related to the activities of terrorists, persons, organizations, movements, or groups referred to in Article 8 of the Constitution is restricted, as well as those activities described in transitory Article 10 of the Constitution and those criminal activities described and punishable under letter I of Article 6 of the State Security Law.

Article 2 of this law established that the limitations set forth in the previous article will not apply to official information released by the government. Article 3 establishes that the Minister Secretary General of Government and the respective chiefs of emergency zones will supervise compliance with the previous articles. Finally, Article 4 grants the national defense chiefs authority to restrict the freedom of movement and the right to assembly within their own jurisdictions. This decree is signed by the nation's president and the interior minister.

Curfew Reduced in Santiago

PA172218 Paris AFP in Spanish 2148 GMT 17 Jun 85

[Text] Santiago, 17 Jun (AFP) -- The military government of Chile today reduced the curfew restrictions in Santiago, as a result of lifting the state of siege that existed in Chile for more than 7 months. An official communique released in this capital indicated that the prohibition to move on the streets at night will not apply on weekends, but from Monday to Friday the curfew will remain in effect between 0200 and 0500 in the morning.

The state of siege was lifted as of today, but General Augusto Pinochet's government maintained the "state of emergency" restrictions and prohibited the broadcasting of reports on "terrorist acts" and activities of political parties.

DEFENSE MINISTER ON EASTER ISLAND PROPOSAL

PY172108 [Editorial Report] Santiago Domestic Service in Spanish at 1705 GMT on 15 June and at 1230 GMT on 16 June carried an interview with Chilean Defense Minister Vice Admiral Patricio Carvajal by reporter Mario Reyes, focusing on the question of the concession of Easter Island.

Asked at the outset of the interview about the importance of Easter Island for Chile, Minister Carvajal replied that he had visited the island 1 month ago to study the project, because NASA had been talking about it with the Civil Aeronautics Directorate, which is an agency of the Defense Ministry. He said that he visited the site of the proposed U.S. project to determine how it would affect the island and the country in general. He added that he looked at the end of the existing air field to see how the additional 400 meters needed to accommodate a space shuttle were being filled. [as heard] This airstrip needs to be lengthened to 11,000 feet so that, in the very remote case that trouble should develop soon after a space shuttle takes off, it could land there under the terms of an agreement signed with Chile. Minister Carvajal noted that "the agreement includes the principles by which the signatory states must abide in carrying out space exploration and utilization, principles that are included in the treaty of 17 January 1967. Article No 3 of the treaty establishes that the signatory states must carry out their space exploration and utilization projects, including exploration of the moon and other celestial bodies in accordance with international law set forth in the UN Charter to maintain peace and security in the world. Minister Carvajal noted that the powers engaged in space activities are bound by that treaty to maintain peace and security. "As far as Chile is concerned, Article No 5 says that the parties to the treaty will consider all astronauts as mankind's envoys to outer space and will give them all possible assistance in case of accidents and forced landings in the territory of each signatory state or on the high seas; all the instruments collected will be returned safely and without delay to the country where the space vehicle is registered; and all astronauts of a party to this treaty must render all possible assistance in outer space to the astronuats of other states which are parties to the treaty. We are committed to comply with Article No 5 because it is a humanitarian principle by which countries not engaged in the space race must assist space vehicles that may fall in their territories. In accordance with this principle, we have begun to study the proposal made by the United States."

After noting that the reporter had asked about the importance of the NASA project for Chile, Minister Carvajal said: "I believe that this project will help improve the island's infrastructure by promoting its development through the investment of some $20 million. The only cost to the citizens and Government of Chile will be to say yes in order to do something for the island and its inhabitants. So we must make an effort to reach a fair agreement that will serve the national interest by permitting the implementation of this project. In the first place, the extension of the airstrip will provide jobs for the island inhabitants. It will also provide opportunities for Chilean companies entrusted with its construction. In general, the project will enhance the international importance of the island by turning it into an emergency landing site for space vehicles that may need it."

In response to a question on the possible involvement of Chile in international problems because of the installations that will be set up on the island, Minister Carvajal replied: "The question implies an unjustified suspicion, because the installations are the same as those operating in other modern international airports of the most developed countries." The minister then noted that there was no provision for military use in the agreement that would be signed and so, he repeated, the suspicion is unjustified. The minister then added that should the agreement be approved, "it will be published, disseminated, and explained to the public so that it will cause no concern."

Asked by the reporter about other purposes for which the installations could be used, considering that the possibility of emergency landings is very remote, Minister Carvajal replied "for nothing else, because no other uses than those clearly specified in the agreement for emergency landings are being contemplated. Rather, we will be able to use the installations for Chilean flights and to offer them to other airlines which want to cover the South American-South Pacific routes. They will represent an excellent mid-ocean point to make transoceanic flights safer."

The reporter then emphasized that the minister had said that Chile stands to gain a great deal without losing anything, and asked whether the agreement will have any strings attached to it. Minister Carvajal replied that "the United States has offered to undertake the project on its own, with no cost whatsoever to Chile." Asked whether a plebiscite would be called for the eventual approval of the agreement, Minister Carvajal said that "the studies made by the commission are the basis for the proposals. He added that a proposal will be submitted for the president's consideration and that a decision to start negotiations will be made on the basis of this proposal. He also noted that negotiators can make changes to the proposal.

BETANCUR, VENEZUELA'S LUSINCHI MEET IN ARAUCA

Hold 5-Hour Meeting

PA141608 Paris AFP in Spanish 1547 GMT 14 Jun 85

[Text] Arauca, Colombia, 14 Jun (AFP) -- Colombian President Belisario Betancur and Venezuelan President Jaime Lusinchi met here on the common border beginning at 1520 GMT for a 5-hour session. They are scheduled to discuss the reactivation of their bilateral trade, the marine and submarine border issue, ground and river transportation agreements, and even the old problem of undocumented persons.

To Resume Sea Border Talks

PA151251 Hamburg DPA in Spanish 1946 GMT 14 Jun 85

[Text] Arauca (Colombia), 14 Jun (DPA) -- The direct negotiations between Colombia and Venezuela to discuss the marine and submarine border issue prevailing between the two countries will be renewed soon, according to an agreement between Presidents Belisario Betancur and Jaime Lusinchi, who met today in Arauca, located on the border between the two nations.

The renewal of the talks, which were suspended in October 1981 when the so-called "Caraballeda Hypothesis" failed, was announced today at noon (local time), shortly after the meeting between Betancur and Lusinchi concluded at the Jose Antonio Paez International Bridge on the Arauca River.

The presidents said that the foreign ministers of Colombia, Augusto Ramirez Ocampo, and Venezuela, Simon Alberto Consalvi, established the mechanisms to resume the direct talks concerning the delimitation of marine and submarine borders in the Gulf of Venezuela, in the Caribbean sea.

The joint declaration was signed today by the two heads of state, and states: "According to a previous declaration signed by former Presidents Carlos Andres Perez and Alfonso Lopez Michelsen, dated 23 July 1976, Colombia and Venezuela will create commissions and announce the mechanisms to resume talks on the border issue."

Betancur, Lusinchi Comment

PA150333 Caracas Television Service in Spanish 0000 GMT 15 Jun 85

[Text] Venezuelan President Jaime Lusinchi and Colombian President Belisario Betancur signed a joint declaration today in which they reflect agreement on world, regional, and bilateral matters. Both expressed great concern over the maintenance of world peace and the achievement of world disarmament. The heads of state reasserted their faith in the United Nations and its institutions on the occasion of the 40th anniversary of its creation. They also stressed the growing strength of the democratic system on the continent.

Regarding the problem of subversion, they underscored the need that the commission of inquiry established by the OAS begin work immediately. They also made an appeal to the countries in the region to promote greater understanding.

Following the joint declaration, the two presidents answered questions that newsmen asked them with regard to outstanding issues between the two countries.

[Begin recording] [Betancur] In Venezuela and Colombia there are many more things that unite us than separate us.

[Lusinchi] This has been a particularly fruitful meeting because it dealt with all of these problems and laid a historical landmark or began a starting point for a new dimension in actions to find solutions to these problems.

[Betancur] Look at what I am very cordially pointing out to the president: It is that we have not avoided any topics because sometimes friends meet and suddenly some topic crops up among them... [laughter interrupts Betancur] so, well, let's not talk about this topic. No, we have not avoided any topic. [end recording]

ARMED FORCES PLACED ON MAXIMUM ALERT

PA141900 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 13 Jun 85

[Text] Bogota -- The military forces have been placed on maximum alert in view of the public order situation in the country. General Augusto Ignacio Moreno Guerrero, commander in chief of the Military Forces, said that the maximum alert was issued following clashes with guerrillas in several regions of the country and in order to prevent possible disturbances on 20 June, the date the leftist sectors have set for a nationwide civic strike. Gen Moreno Guerrero appealed to the labor leader to act with good sense to prevent disorder and violent demonstrations. He asked citizens to remain calm and [word indistinct] because we are living in difficult times that might be utilized by the enemies of peace.

Gen Moreno Guerrero said that [words indistinct] will use every military means to reestablish peace in Valle del Cauca Department. He described the public order situation at the national level as critical. The high-ranking officer confirmed that in last week's battles, 20 guerrillas and 5 soldiers were killed are that (?7) soldiers were seriously wounded. The commander of the military forces indicated that strict security measures have been adopted to prevent the action of professional agitators who seek to disrupt public order during the civic strike called by the Trade Union Confederation of Colombian Workers and the leftist sectors on 20 June.

Regarding the Army bombing areas in Valle del Cauca, Gen Moreno Guerrero said: We have to use the means available to us to counteract the war situation being experienced in that area of the country.

USSR'S GROMYKO SENDS ANNIVERSARY MESSAGE

PA172120 Quito Voz de los Andes in Spanish 1130 GMT 17 Jun 85

[Text] The Foreign Ministry's National Directorate of Information and Press reported that on the occasion of the 40th anniversary of establishing diplomatic relations between Ecuador and the Soviet Union, Foreign Minister Edgar Teran sent on a message to Soviet Foreign Minister Andrey Gromyko on 14 June. Gromyko replies as follows:

Please accept our congratulations and good wishes on the occasion of the 40th anniversary of the renewal of diplomatic relations between the Soviet Union and Ecuador. We stress with satisfaction that friendly relations have been traditionally maintained between our two countries based on the constant principles of liberty, mutual respect, nonintervention in each other's internal affairs, and a mutually beneficial cooperation. All this gives us assurance that bilateral ties will be subsequently developed in a constructive way for the welfare of Soviets and Ecuadoreans, on behalf of international detente and the strengthening of peace throughout the world.

MEXICAN ENERGY SECRETARY LABASTIDA ARRIVES

PA180409 Paris AFP in Spanish 0307 GMT 18 Jun 85

[Text] Quito, 17 Jun (AFP) -- Mexican Energy and Mines Secretary Francisco Labastida arrived here tonight in a private airplane to meet with Ecuadoran President Leon Febres Cordero tomorrow afternoon.

Upon his arrival at the Simon Bolivar Airport, Labastida said Mexico wants to continue cooperating with the oil-exporting countries within and outside of OPEC to seek to attain stability in the market, above all, during the current low demand for crude oil. He revealed that he arrived at the instructions of Mexican President Miguel de la Madrid to meet with Leon Febres Cordero to discuss Ecuador's opinion of the current crisis in the oil market and to exchange views on this concern. Referring to the $1.50 decrease in the price of Maya type crude oil, he said that his government's decision was to change the heavy crude oil price and freeze the light crude oil price. He asserted that the international market situation and the results of the OPEC meeting will be analyzed during his meeting with Cordero to learn what decision will be adopted next month. [sentence as received]

Secretary Labastida went to a hotel to rest following the 4-hour airplane trip. He was received by his counterpart natural resources and energy minister, Javier Espinoza, who said he will discuss Ecuador's viewpoints following the meeting with the visitor.

GOVERNMENT TO SEEK OPEC PRODUCTION INCREASE

PA162346 Paris AFP in Spanish 1607 GMT 16 Jun 85

[Text] Quito, 16 Jun (AFP) -- Natural Resources and Energy Minister Xavier Espinosa announced that Ecuador will ask for an increase in its oil production quota at the 5 July OPEC meeting in Vienna. The minister said the objective of a higher oil production quota is to utilize the country's actual daily production, between 280,000 and 300,000 barrels, in the Amazon region of the eastern jungle.

Ecuador has a daily oil production quota of 180,000 barrels and has been criticized by other producers for increasing its production.

Ecuadoran President Leon Febres Cordero is facing a grave economic situation. Ecuador's annual oil exports total 60 million barrels. This represents an income too small to finance the country's development programs and simultaneously pay the country's foreign debt, which totals $7 billion, and satisfy the country's growing oil needs.

According to Espinosa, production limits "are not the most appropriate mechanisms to deal with the current market situation." He believes that "OPEC should control prices, something it is not currently doing." The minister said the pricing problem is gravely influencing the market. Espinosa said there should be "some kind of trade regulation since this procedures seriously hurts the market. While it is true that trade appears to take place at the official oil price, in reality substantial discounts are given."

Referring to the decline in oil prices, the minister noted that contact has been made with oil-producing countries that are not OPEC members to promote an understanding for the overall problem and "to work for stability in the market since both OPEC and non-OPEC nations are affected by the situation [quotation marks as received]

VICE PRESIDENT, DELEGATION TRAVEL TO FRG

PA111643 Quito Voz de los Andes in Spanish 1130 GMT 10 Jun 85

[Text] Ecuadoran Vice President Blasco Pena Herrera, the president of the National Housing Board, the general coordinator of the presidency of the Republic, the National Development Council planning secretary, the manager of the Ecuadoran Development Bank, and the manager of the National Preinvestment Fund left for the FRG yesterday at the invitation of the German Society for Technical Cooperation which was issued through the German ambassador to Ecuador.

The vice president and his delegation will discuss the guidelines, funding, and plans for technical and financial cooperation between the two governments with the German Ministry of Economic Cooperation. They will also discuss the FRG's housing policies and low-income housing construction techniques with the German minister of regional planning, housing, and urban development.

NEW ATTORNEY GENERAL STRESSES IMPARTIALITY

PA120424 Quito Radio Quito in Spanish 2300 GMT 11 Jun 85

[Excerpt] New Attorney General Jorge Maldonado Ranela has said that his organization will establish a general policy to enforce constitutional norms. The official said that the Attorney General's Office has outlined several policies to be enforced for the defense of the Constitution in a law-abiding regime, as well as the defense and enforcement of all citizens' constitutional rights. He asserted that his office will work in strict accordance to the law, and stressed that the Attorney General's Office will not act according to personal or biased views. He also warned that the organization will not become the instrument of any political party.

NEW GOVERNMENT NOT TO ACCEPT IMF PROGRAMS

PY141410 Lima Cadena Panamericana Television in Spanish 0300 GMT 14 Jun 85

[Text] Regarding the Peruvian foreign debt, Hugo Otero, leader of the American Revolutionary Popular Alliance [APRA] and member of the APRA National Executive Committee, has stated that the new government to be installed on 28 July 1985 will pay its foreign debt, but it will not accept programs imposed by the IMF. Otero, who is visiting Chile, stated that the IMF, although it claims to be realistic, only provokes the aggravation of the economic and political crisis. He added that the new government will not deal with the IMF, because it is only a sort of union for profit among the creditor countries.

POLICE BEAT 40 WOMEN IN LIMA ARMS PLAZA

PA172114 Paris AFP in Spanish 2026 GMT 17 Jun 85

[Text] Lima, 17 Jun (AFP) -- Some 40 women were beaten by the Peruvian police when they chained themselves to a fountain in the center of the Arms Plaza of Lima. The women were demanding to know the fate of their relatives who disappeared in Ayacucho Department in the zone declared under emergency because of the subversion caused by the Shining Path organization.

GUERRILLAS PREEMPT TV GAME, AIR MESSAGE

PA172149 Buenos Aires Latin in Spanish 2119 GMT 17 Jun 85

[Text] Lima, 17 Jun (REUTER) -- Peruvian left-wing guerrillas interfered with the television broadcast last night of a playoff for the world soccer championship, Information Minister Arturo Arrarte announced today.

He told newsmen that the Tupac Amaru revolutionary movement aired 5 minutes of propaganda, preempting the broadcast of the Peru-Venezuela game played at the national stadium. The rebel transmission only reached houses of three residential districts of Lima located near the sea, the minister said.

The Interior Ministry tracked the zone to discover the frequency used by the rebels to interfere with the transmission, Arrarte said.

It is the first time ever recalled that a Peruvian guerrilla group has gone on the air to broadcast a message. Tupac Amaru, which emerged last year with a machine-gun attack on the U.S. Embassy, is demanding a minimum wage six times the current one and the suspension of payment of the foreign debt.

CHIMBOTE FISHERMEN'S STRIKE ENDS WITH AGREEMENT

PY151002 Lima Cadena America Television in Spanish 0330 GMT 15 Jun 85

[Text] Fisheries Minister Ismael Benavides has stressed the importance of the labor agreement that ended the fishermen's strike in Chimbote. He stated that they will receive over 22 percent of the worth of their catches as well as other benefits.

REFORM LAW FREEZES CREATION OF NEW BANKS

PA171834 Paris AFP in Spanish 1714 GMT 16 Jun 85

[Text] Caracas, 16 Jun (AFP) -- The Venezuelan Government will prohibit the establishment of new banks, credit institutions, leasing companies, insurance firms, savings and loans associations, and mortgage banks, Venezuelan Finance Minister Manuel Azpurua has revealed.

The authorities decided to strengthen controls on the financial system to prevent the administrative irregularities resulting from the government's takeover of more than seven banks over the past 4 years. The decision was prompted by the latest bank takeover, that of the Venezuelan Bank of Commerce.

The reform to the bank law has sparked controversy between Venezuelan bankers and the government. The former believe that the reform law is harmful to their interests and that it undermines confidence in the banking system. However, the government has insisted that the bank superintendent's office has the obligation to make public all sanctions and warnings issued against financial institutions in the OFFICIAL GAZETTE. The bank superintendent's office will also demand strict compliance with all its recommendations.

Meanwhile, the treasury minister has said that "the executive branch will do its best to prevent new bank seizures, which undermine depositors' and savers' confidence in the system."

The bank reform law will also attempt to establish controls and restrictions to prevent the concentration of risk among affiliate institutions, which is one of the reasons for the freeing of bank credits and their insolvency. The law also includes $78,000 fines and legal sanctions to be imposed on those bank administrators found responsible for their institutions' crises.

MINISTER ANNOUNCES OIL AGREEMENT WITH USSR

PA141831 Paris AFP in Spanish 0236 GMT 12 Jun 85

[Text] Caracas, 11 Jun (AFP) -- Venezuela will send Cuba 40,000 barrels of crude oil a day in exchange for shipment of a similar amount by the USSR to the German-Venezuelan refinery at Gelsenkirchen, FRG, Venezuelan Energy Minister Arturo Hernandez Grisanti confirmed today in Caracas.

Until May, the operation was for half that amount: 20,400 barrels a day.

"It is a great business deal. We save more than a dollar in freight cost per barrel, more than $40,000 a day. If we could send 80,000 barrels, we would save $100,000," Hernandez said.

Venezuela formed an association with VEGA OEL [expansion unknown] of the FRG for the joint management of a refinery in Gelsenkirchen to which it supplies some 100,000 barrels of crude oil a day. Under this agreement, Venezuela and the USSR will both exploit their relative proximity to the FRG and Cuba, with the resulting savings in freight costs.

HERNANDEZ VIEWS OPEC MEETING AS 'CRUCIAL'

PA150323 Paris AFP in Spanish 0505 GMT 14 Jun 85

[Text] Caracas, 13 Jun (AFP) -- Venezuelan Energy and Mines Minister Arturo Hernandez today described as "crucial" the upcoming OPEC meeting to be held in Vienna on 5 July.

Hernandez told reporters that the meeting's outcome will depend on the (13) member countries' awareness that the oil market is facing a crucial time and necessary solutions must be found.

In addition, he said that Venezuela's Advisory Committee on Petroleum Policies, comprised of former energy and mines ministers, will be convoked next Thursday to evaluate the situation.

Hernandez said that the OPEC "is not on a dead-end street," adding that "whoever thinks that the formula to save Venezuela is to destroy the organization is wrong. That is what some of the members countries believe too." The Venezuelan minister said that such destruction would lead the oil market to a price war within the OPEC, competing with the rest of the market and the non-member countries, which will become involved "when they see us competing with an aggressive policy to reduce prices and take away their share of the market."

"OPEC was created precisely to avoid price wars," Hernandez added.

"If Venezuela and the member countries which really fulfill their production quotas withdrew from the organization it would mean that OPEC would be liquidated by 5 July. We would then see if Venezuelan oil could maintain the price of $26 or $27 per barrel with competition from countries that have a capacity of between 6 and 8 million barrels and do not have our country's financial problems."

When asked if the government is reviewing the budget (Venezuela is 90-percent dependent on its oil revenues), Hernandez said there is no special parameter or factor which demands any adjustment, because the average decrease in Venezuela's oil price is $0.15 per barrel.

PLOT TO ASSASSINATE JUSTICE MINISTER UNCOVERED

PA141410 Paris AFP in Spanish 1348 GMT 14 Jun 85

[Text] Caracas, 14 Jun (AFP) -- Venezuelan Justice Minister Jose Manzo Gonzalez today confirmed that the Venezuelan Directorate of Intelligence and Prevention Services (DISIP) has discovered a plot to assassinate him. The plot is attributed to Colombian drug traffickers Carlos Lehder and Pablo Escobar Gavidia.

Manzo explained that the plot was discovered after the recent arrest in eastern Venezuela of Ciro Martinez Marquina, the "czar of drugs" in Venezuela, along with several accomplices and a shipment of drugs. The authorities found in the possession of the gang files and photographs of Manzo and deputies David Morales, Vladimir Gessen, and Carlos Tablante, who vehemently condemn drug trafficking.

Manzo noted that another plot to assassinate him during a visit to Miami was discovered a year ago and that Escobar Gavidia was responsible for last year's assassination of his Colombian counterpart, Fernando Lara Bonilla.

"Regardless of the seriousness of this matter, they are occupational hazards that at no time will weaken our decision to relentlessly fight against drug consumption and drug trafficking," Manzo added.

NEW LEFTIST COALITION TO STRESS SOCIAL CHANGE

PA161317 Mexico City UNOMASUNO in Spanish 10 Jun 85 p 4

[Excerpts] Yesterday, Luis Hernandez, leader of the National Union of the Revolutionary Left [Union Nacional de la Izquierda Revolucionaria, UNIR] which was formally founded yesterday, said that the crisis and the upcoming political activities have caused growing social polarization, wherein the rich get richer and the poor get poorer. He said that current wages are below the level of 17 years ago. According to Hernandez' estimates, with the increase recently granted by the National Minimum Wage Commission, real wages have dropped by 6.4 percent from the 1984 level and are way below the level of 17 years ago.

At a ceremony held at a Mexico City movie house, members from 11 [number as published] leftist political organizations sealed a political pact to join their forces in order to overcome their current narrow scope [localismo] and political disunity. Luis Hernandez, Ricardo de Holanda, and Guillermo Gonzalez spoke during this function. Rosario Ibarra de Piedra was the guest speaker. The speakers noted that the current ideological and political differences within the UNIR will be smoothed out along the way, within the struggle of the masses. The speakers stated that 56 years of the PRI have brought poverty and economic and political oppression, and the new group's biggest challenge is to muster the discontent that has been bred in the people and marshal it toward the revolutionary struggle.

It was stated that the group's first objective is to form a political front with the possibility of becoming a political party that would confront the forgotten demands of the workers, peasants, tenant farmers, Indians, and students in a determined manner.

The following organizations have decided to join UNIR: the National Revolutionary Citizens Association (ACNR) [Asociacion Civica Nacional Revolucionaria]; the Union for Revolutionary Struggle (ULR) [Union de la Lucha Revolucionaria]; the People's Revolutionary Movement (MRP) [Movimiento Revolucionario del Pueblo]; the People's Revolutionary Organization (ORP) [Organizacion Revolucionaria del Pueblo]; the masses faction of the Organization of the Revolutionary Left (OIR) [Organization de la Izquierda Revolucionaria]; the Chihuahua People's Defense Committee [Comite de Defensa Popular de Chihuahua]; the Independent National Teachers Front [Frente Magisterial Independiente Nacional]; the Socialist Workers Movement [Socialismo Obrero]; the Critical Point Revolutionary Organization (ORPC) [Organizacion Revolucionaria Punto Critico]; and the People's Struggle Movement (MLP) [Movimiento de Lucha Popular].

Guillermo Gonzalez said that the process to unite the revolutionary left requires firm ideological and political bases. These bases will be achieved through the implementation and enrichment of the appropriate ideology within the framework of class struggle.

PEMEX ANNOUNCES HEAVY OIL PRICE REDUCTION

FL172106 Mexico City NOTIMEX in Spanish 2045 GMT 17 Jun 85

[Text] Mexico City, 17 Jun (NOTIMEX) -- Mexico today reduced by $1.50 the price of its heavy export oil, PEMEX announced this afternoon.

With the reduction in price of the Maya heavy crude, its international market price was set at $24 a barrel.

CUBAN AMBASSADOR ON DEBT, NICARAGUAN POLICY

FL151326 Mexico City NOTIMEX in Spanish 0035 GMT 15 Jun 85

[Text] Mexico City, 14 Jun (NOTIMEX) -- Cuban Ambassador to Mexico Jose Maria Fernandez de Cosio said the Latin American debt is so great that it cancels any plan for development. The ambassador also said that the debt is so great and the interest payments so high that Latin American countries have become exporters of capital to the extent that they are condemned to cancel any project that might help overcome the economic crisis.

Referring to U.S. policy in Central America, Fernandez de Cosio said that arming mercenary forces to overthrow the legitimate Nicaraguan Government and carrying out threatening acts in that zone are actions that violate international laws. The diplomat also said that a U.S. invasion of Nicaragua should not be disregarded, since the United States has been involved in that region for many years for the purpose of penetrating Nicaragua. Fernandez de Cosio regretted that although the United States says it supports the Contadora Group, which consists of Mexico, Colombia, Venezuela, and Panama, in practice it refuses to contribute to peace efforts.

EXCELSIOR ADVISES CONSIDERATION OF CASTRO PROPOSAL

PA172059 Mexico City EXCELSIOR in Spanish 10 Jun 85 p 6 A

[Editorial: "Strike To Refuse Payment"]

[Text] Fidel Castro reiterated his statement to our director general Regino Diaz Redondo, in a memorable interview: The fact that Latin America's debt to U.S. bankers is impossible to pay should be analyzed. Now, he has made a firm proposal of a strike so that creditors will finally take us seriously when faced with firmly united debtors. Last year when there was a meeting in Colombia to discuss this subject from the debtors' viewpoint the imperialists response was arrogant and immediate: They increased interest rates. There has been repeated pressure on Latin American nations to keep them from uniting. The idea of a debtor's club is repudiated, but a creditors' club exists and is operating well.

It is advisable that Latin American governments consider Castro's initiative from several viewpoints. It will be impossible to pay the debt. Moreover, acceptance of unfair interest rates is eroding us to the dreadful point that we will be unable to pay the debt because our economies will have ceased to exist, which will not benefit anyone. The Europeans were aware of this when they warned about the decline of consumer markets in the Third World. How are we going to pay if bankers take away everything in exchange for nothing?

It is imperative to force those who close off our vital sources in favor of banking speculation to meet the needs of economies devoted to the manufacture of weapons, to listen to us, to cancel interests, and, if there is no alternative, to nullify the debt. The frightening effects of outbreaks of social violence due to hunger and disease caused by undernourishment would be more costly to the world.

ARDITO BARLETTA ADDRESSES UN ON DEVELOPMENT

PA130219 Panama City CRITICA in Spanish 11 Jun 85 p 2

[By Guillermo Rodolfo Valdes]

[Text] [Excerpt] New York, 10 Jun -- "Our country trusts that the UN Development Program (UNDP) will continue to play an important role in the overall rehabilitation of the magnificent mechanisms that the UN system has conceived throughout 40 years and placed at the service of cooperation for development," Dr Nicolas Ardito Barletta said when delivering the main speech during the solemn meeting held by the UNDP Administrative Council to commemorate its 35 years of international cooperation activities under the UN's sponsorship.

Agreements

Dr Ardito Barletta advocated in a reiterated and vehement way the strenthtening of the program, saying that it "would be quite beneficial because developing countries would be able to participate in the international community's efforts, using their resources to attain their own solutions and definitely overcome the crisis we are enduring."

Joint Policy

The international economic situation has largely affected developing countries unfavorably, reasserting the need to adopt joint policies and create an internaional solution that allows a more specific and effective way to help national development efforts," [quotation mark as published] said the Panamanian president, adding that "developing countries have exerted a considerable effort for adjustment which must be accompanied, in the mose efficient way, by a broader international cooperation that also advocates the transition between the adjustment and reactiviation of these countries' growth and overall development."

Three Words

President Ardito Barletta delivered a speech that was highly praised by those in attendance, given his ample experience and knowledge on developing countries' situations. In this concern he said: "The situation can be overcome if the UN development plans continue to include the essential conditions, which can be summarized in three words: love, discipline, and participation."

BRIEFS

CHINESE, CUBAN VISAS SUSPENDED -- Immigration chief Raul Rogers has announced that effective immediately all visas for entrance to this country of Chinese [not further identified] and Cubans have been suspended, pending an investigation into a constant flow of those citizens into Panama during the past months. [Text] [Panama City STAR AND HERALD in English 13 Jun 85 p 1]

COSTA RICA

ARDE'S 'TITO' CHAMORRO 'MAY BE EXPELLED'

PA162254 Paris AFP in Spanish 1558 GMT 16 Jun 85

[Text] San Jose, 16 Jun (AFP) -- The authorities today disclosed the possibility that Roberto "Tito" Chamorro, chief of operations for the anti-Sandinist Democratic Revolutionary Alliance (ARDE), may be expelled from the country. Chamorro was captured on 12 June at the northern Costa Rican border.

Chamorro, who is authorized to be in Costa Rica, was expelled from Costa Rica last year because of his military activities and was arrested again on Wednesday when he and two other guerrillas were caught armed and driving a vehicle with Costa Rican plates in the area of Boca San Jose de Sarapiqui. However, the Costa Rican Public Security minister yesterday denied a charge made against Chamorro that he was caught with explosives, and added that the Nicaraguan is being held "in a safe place" due to "telephoned death threats."

A court ruling is expected regarding the charge presented by Alvaro Montero, a Socialist deputy, who said that there is a possibility that Chamorro participated in the ambush of the civil guardsmen on 31 May in Las Crucitas. Two Costa Ricans were killed during that ambush. According to reports from area residents and Managua government statements, Chamorro moved freely along the northern Costa Rican border and even had contact with high-ranking members of the local police.

Mayela Morales, general director of the Immigration Council, said today that Chamorro will be expelled as soon as this situation is cleared up.

POLITICAL GROUPS REACT TO BORDER INCIDENT

Popular Vanguard Party

PA121656 San Jose LA REPUBLICA in Spanish 4 Jun 85 p 15

["Statement on the 31 May Border Incident" issued by the Costa Rican Popular Vanguard Party -- date not given]

[Text] The Popular Vanguard Party regrets the 31 May deaths of the Costa Rican civil guardsmen on the northern border and calls the people's attention to the circumstances that led to that deplorable action. Nicaraguan counterrevolutionary bands have been operating in northern Costa Rica for several years with the open tolerance of our authorities. These bands, particularly those of the Democratic Revolutionary Alliance [ARDE], have made sanctuaries out of the Costa Rican territory from where they attack Nicaragua. Our party and other forces have repeatedly denounced, in full detail, the identities of the ARDE collaborators and the location of ARDE's camps and training centers. However, authorities have promptly released and even returned weapons to the rebels they have captured, giving rise to a situation that is increasingly involving Costa Rica in a conflict in which it should not intervene directly. In addition, Costa Rica should not allow Nicaragua's enemies to use its territory for their own purposes.

The incident at Las Crucitas was a provocation characteristic of ARDE's contras. Common sense indicates that the Nicaraguan Government, which is sustaining "contra" attacks from sanctuaries in Honduras and Costa Rica, is intent on repelling these attacks without clashing with the forces of its two neighboring countries. The Nicaraguan Government continues to cautiously handle its relations with Honduras, from which the most intense attacks originate, to prevent confrontations between the two countries' Armies.

It is even more careful with regard to Costa Rica because the contras border actions have always sought to provoke clashes between the Sandinist People's Army [EPS] and our police.

All of the arguments to sustain the charges against the Sandinists in the case of Las Crucitas are absurd, beginning with President Monge's assertion that the aggressors, who were positioned 800 meters from their target, burst into laughter when our civil guardsmen identified themselves. The impossibility of hearing laughter at a distance of 800 meters over the sounds of rainfall and gunfire completely discredits that report. Moreover, the civil guardsmen said they neither heard nor saw anything.

Any Costa Rican who has kept abreast of the news over the past 2 years knows that the contras operate in the area of Las Tiricias. The report that the guardsmen were attacked from the so-called "Tango" Base, located on the other side of the river, confirms that this was a contra attack. Monday's issue of LA NACION stated that ARDE controls that area, which has been the object of Sandinist air raids. Who fired from that position? It could only have been ARDE, which insists that it is still holding that position.

The president based his reckless argument on an alleged investigation by the Civil Guard director, who brought forth as evidence parts of weapons and ammunition reportedly found at the site of the attack. However, the weapons that were found, including an AK rifle, disposable rocket launchers, and others, are those characteristically used by the contras. Therefore, if the evidence proved anything, it was that the contras staged the attack. That same investigation reports that a civil guardsman is missing, presumed dead, and that his body is in the house that was the target of the attack. This proves that Colonel Oscar Vidal did not go to the site of the incident because if he had he would not have issued vague reports on such an important matter.

ARDE led the Civil Guard into a well-planned trap. On Thursday they reported that the Sandinists were on the Costa Rican side of the San Juan River. That prompted the Civil Guard deployment to the area, where it was attacked. The timing was perfect, as the contras are currently being dislodged from Nicaragua. The provocation will make the arrival of new Yankee military units in Costa Rica and the taking of another step to escalate the war easier.

The president has asked the OAS and the Contadora Group to intervene, but in his request he also discredited the two organizations by stating that neither has done anything for Costa Rica. This is comparable to taking medicine when in good health. The president knows his version is hardly credible.

We alert the Costa Rican people not to let themselves be led toward a chauvinistic, war-thirsty hysteria. We are being led to a very dangerous situation that can even cause the outbreak of war. The steps that are being taken only succeed in worsening the crisis because they lead to a U.S. intervention in Central America, the consequences of which can be devastating to our people.

We urge Costa Ricans to seriously think about the dangers that are threatening Costa Rica. The mercenaries have taken war to Nicaragua and now they want it to spill over into Costa Rica. We must prevent this. We must reject the lie that Nicaragua is threatening us because that will lead to war. We must demand that the government act wisely and with moderation.

Free Costa Rica Movement

PA132025 San Jose LA NACION in Spanish 6 Jun 85, p 31 A

[Paid advertisement by the Free Costa Rica Movement board of directors: "Unity Against the Dictatorship"; -- date not given; Capitalized passages published in boldface]

[Text] While a group of communists, proteges, and "useful fools" tried to confuse public opinion with proclamations and speeches opposing the government's desire to properly train our Civil Guard, Nicaragua's puppet and totalitarian government prepared an aggression against the peasants who serve in our courageous Civil Guard.

Still, those who serve the "mangy dog" dictatorship in our country have unashamedly raised their voices to defend this fateful dictatorship while the blood shed by Costa Ricans during the cowardly ambush carried out against our Civil Guard in the northern area is still fresh. The Free Costa Rica Movement has not been mistaken when it has for so long proclaimed the need to train our Civil Guard and give it the necessary means to defend out sovereignty.

We have also stressed the importance of giving civilians, particularly our youth, proper training within a legal framework so that they do not become "cannon fodder" of a new aggression. We must get ready because we want peace and freedom in Costa Rica. The communists do not want our courageous Civil Guard or the citizens to resist their plans to destabilize our democratic system.

We want peace without chains! We want peace in dignity, and we want to have our territorial integrity respected. WE DO NOT WANT A PEACE TO BE ASHAMED OF! WE DO NOT WANT A PEACE WHILE KNEELING!

We Costa Ricans must remain closely united around the government's actions before international organizations such as the OAS. We reject all intervention by the Contadora Group, which has served only to mask the Nicaraguan dictatorship for it to gain time and strengthen its political power in Nicaragua. Costa Rica must use its prestige derived from being the champion of democracy to request the solidarity of the Latin American peoples to defend the hemisphere's only real and unarmed democracy from the armed aggression of the "mangy dog" dictatorship.

May the blood shed by the two heroic civil guardsmen who fell defending their country stand as a painful warning to our people against the Managua dictatorship's war-thirsty and criminal purposes. The hoodlums who are currently governing in Nicaragua should know that Costa Rica is not alone. Other peoples are waiting for the signal to lend us a hand. We will expel all pirates from Costa Rica like we did in 1856 so that this country may continue to be free and peaceful and Nicaraguans may recover their peace, which is now enslaved by the Soviet-Cuban intervention.

We publicly reiterate to the government of the Republic our offer that when necessary it can call our organization's activists to support the Civil Guard's actions. It will be an honor for us and all those whose veins carry truly Costa Rican blood to serve alongside them.

IF WE WANT PEACE WE MUST BE PREPARED TO DEFEND IT! IF WE WANT DEMOCRACY AND FREEDOM WE MUST BE PREPARED TO DEFEND THEM! We must exhaust our actions before the international organizations without forgetting that communism respects nothing and no one!

The Ortega Saavedra brothers were linked to the murder of a civil guardsman in Alajuela several years ago.

Now that they are in power, they are the authors of the criminal murder of two Costa Rican civil guardsmen who were cowardly ambushed by mercenaries who follow their orders. How long will Costa Ricans have to tolerate the murders of fellow countrymen and the violations of our sovereignty?

United against the aggression! United in struggle! That is how it has always been and that is why we are free! "LET US NOT REGRET TOMORROW WHAT WE COULD NOT DEFEND TODAY LIKE MEN."

United People Coalition

PA172301 San Jose LA NACION in Spanish 9 Jun 85 p 35 A

[Paid advertisement issued by the United People Coalition comprised of the Costa Rican Socialist Party, the Costa Rican People's Party, and the New Republic Movement -- date not given]

[Text] The United People Coalition [CPU] deeply regrets the incident that took place on our country's northern border. We share the grief of the relatives of the dead civil guardsmen and are confident that the wounded will recover soon. Our country wants peace; our country does not want to involve itself in a war. The most profound desire of all Costa Ricans is to maintain and strengthen civil and democratic traditions and preserve pluralism, tolerance, and dialogue as instruments for domestic coexistence. Costa Rica does not want to be the site of military projects not in keeping with our ideals and national interests. We hope that the incident will be clarified and the culprits fully identified. Those responsible for the attack on our civil guardsmen must receive the corresponding punishment.

We categorically declare that the CPU agrees with the visit to Costa Rica by an OAS investigating commission comprised of representatives of Contadora Group member countries to examine the facts in detail in order to prepare a decision in keeping with the truth. However, this tragedy did not happen by chance. It is the result of the confrontation between counterrevolutionary groups operating on the border and Army troops from neighboring Nicaragua. Those groups are operating in violation of our laws and international agreements signed by our country; they are operating against our proclaimed principles of neutrality and self-determination and are constantly using our territory and the political-military space provided to them by some government officials in violation of our proclaimed neutrality, the country's security, and our principles of peaceful coexistence at the international level.

The entire nation and the most prudent sectors of our contemporary world voiced their firm support to President Monge when he announced to the nation and the world in November 1983 his wish to turn Costa Rica into a neutral country, a country without weapons and supported only by the force of international law and the indestructible moral force of its civil traditions. They are still there ensuring firm, timely compliance with the neutrality policy, which is the essential base for peace in the nation and respectful coexistence between states. If real neutrality is fully applied, the causes of border conflicts would disappear. Those who want to involve Costa Rica in their war would be totally blocked in that attempt if the government follows one objective and path and uses neutrality as a coexistence principle and a moral shield against all nations. Those plans involve and compromise Costa Rica because the obvious objective is to turn our homeland into a base for military operations against a neighboring nation.

Evidently, the serious events that have occurred only benefit those forces that cry out loudly for the country's militarization.

These forces insist on presenting every appeal for peace and neutrality as an act of cowardice or an appeal to render Costa Rican defenseless.

However, let's tell the truth. If Costa Rica's extreme rightists are bent on helping the counterrevolutionaries and the U.S. Government forcefully overthrow the Sandinist revolution, let them fully assume that responsibility. Let them take up arms and fight alongside the Nicaraguan Democratic Force's [FDN] Somozist bands and the groups led by Pastora. Let them run the risks entailed by this action. However, don't let them continue to jeopardize the peace and tranquillity of Costa Ricans by placing the country on the verge of a war that no sensible Costa Rican wants. We demand that the U.S. Government cease pressuring the Costa Rican Government to force it to join the U.S. plan to turn Costa Rica's northern area into a U.S. military base.

In addition, the CPU wants to publicly recognize the difficult living and working conditions of hundreds of civil guardsmen, particularly those who patrol the border. It is our duty to point out that the difficult economic situation of most of those civil and rural guardsmen is similar to that of the remainder of the working people who bear the full weight of the crisis: low salaries, a housing shortage, and an uncertain future for their children. These civil guardsmen must know that their meager salaries are determined by the same economically powerful national and international groups that today are bent on forming an army in Costa Rica. However, let the people be aware that this army is not to be formed by the sons of the wealthy, well-to-do businessmen, merchants, and industrialists who cry for war, but by the humble children of Costa Rican homes. As usual, it will be the poor and needy who will contribute their blood for the military adventures no one wants.

The coalition does not oppose the proper training of the civil guardsmen in charge of patrolling the border. However, the government must seek the support of friendly nations entirely foreign to the area conflicts. At the same time, these nations would guarantee their respect for the Costa Rican people's neutrality and desire for peace. Only in this way can we guarantee our independence and the safety and tranquillity of Costa Rican homes. Only in this way will we no longer have to regret the grief of the humble families in mourning today because the U.S. Administration and some stubborn nationals are determined to end Sandinism regardless of the price and grief that we Costa Ricans must pay.

San Jose, June 1985

[Signed] Alvaro Montero Mejia, secretary general, Costa Rican Socialist Party

Sergio Erick Ardon Ramirez, secretary general, New Republic Movement

Manuel Mora Valverde, secretary general, Costa Rican People's Party

People's Party

PA180046 San Jose LA NACION in Spanish 9 Jun 85 p 17 A

[Paid advertisement by the Costa Rican People's Party -- date not given]

[Text] On Thursday night, 30 May, "Tito" Chamorro, commander of the counterrevolutionary organization Democratic REvolutionary Alliance [ARDE] advised the Costa Rican authorities that "detachments of the Sandinist People's Army [EPS] had entered Costa Rican territory."

Chamorro, Pastora's second in command, contacted the national authorities from the counterrevolutionary base known as Tango, which is located in front of Las Crucitas, where hours later the Civil Guard patrol was ambushed. Civil Guard Director Colonel Oscar Vidal stated that he "sent two patrols to Las Crucitas in response to ARDE's official report." LA REPUBLICA reported all of these developments on 1 June.

The civil guardsmen arrived at the area ARDE's chief indicated on Friday, 31 May. The surviving civil guardsmen reported that on the afternoon an unexpected, simultaneous attack began "from the site of the guerrilla base known as Tango" and "from hills in Costa Rican territory." Two civil guardsmen were killed and several wounded in that cowardly attack. ARDE succeeded in leading the Costa Rican Civil Guard into a criminal ambush.

Survivors of the attack told LA NACION that they were certain the ambush "was prepared in advance." ARDE's leaders were the only ones who knew that the Costa Rican patrol would arrive at Las Crucitas, and they were the only ones who could have prepared the attack "in advance." Area residents told LA NACION correspondent Tomas Zamora that ARDE rebels entered Costa Rican territory several days before the attack. While the civil guardsmen who were ambushed stated that they "presumed" the Sandinist Army was responsible for the attack, Col Vidal asserted outrightly that "the attack was staged by the Sandinists" without presenting any evidence to substantiate his claim.

While Costa Rican authorities blamed the Sandinists for the attack "because it is inconceivable that the guerrillas who are in disarray, without heavy armament, and in terrible shape, staged the attack," Miguel Caracas, ARDE's official spokesman in Costa Rica, told the press that "ARDE is holding its positions and resisting the enemy at its main base, Tango. The fighting is intense; we can resist the attacks. Now we possess sufficient ammunition to face the EPS."

The national authorities knew that the counterrevolutionary bands were attempting to stage provocations on the border for a long time in order to complicate Costa Rican-Nicaraguan relations and further the U.S. Government's plans to intervene militarily in the region. Last year all of the local newspapers carried Pastora statements ordering his people to "shoot the parakeets [pericos] (name given by the counterrevolutionaries to the members of the Costa Rican Civil Guard)."

Despite President Luis Alberto Monge's efforts to safeguard Costa Rica's neutrality, some local authorities cooperated with the bands instead of preventing the counterrevolution's provocations as was the case of former Government Minister Chacon. The CIA and the counterrevolution needed "dead civil guardsmen" to create conflicts on the border to "justify" the severing of Costa Rican-Nicaraguan diplomatic relations and pressuring the Costa Rican Government to invoke the Inter-American Mutual Assistance Treaty or the U.S. "peace army." Former Foreign Minister Fernando Volio was working in that direction but, fortunately for Costa Rica's peace and sovereignty, he failed.

While the bodies of the two murdered civil guardsmen were still warm, counterrevolutionary leader Eden Pastora boarded a plane somewhere in Costa Rica bound for the United States. Pastora would report "mission fulfilled" to his American superiors and receive his payment from the CIA. In San Jose, U.S. Embassy members attended a Security Council meeting presided over by Vice President Armando Arauz. LA NACION, LA REPUBLICA, and LA PRENSA LIBRE newspapers demanded "clear, vigorous actions" against Nicaragua. Calderon's and Gonzalo Facio's Unity Party lashed at the government's neutrality policy. The Free Costa Rica Movement placed "the organization's military" at the disposal of Security Minister Benjamin Piza.

Radio Monumental and Radio Reloj spewed out fire, as did television newscasts. The businessmen's associations led by Guardia Villalaz, demand the breaking of relations with Nicaragua. As hysteria grows, the goal seems about to be fulfilled: To push the country to war and facilitate the occupation of our homeland. THE NEW YORK TIMES published an official U.S. Government statement that indicated the plans "to invade Nicaragua are ready." The Pentagon bullies assert: "This will be a picnic."

What does common sense say? Any calm, sensible Costa Rican must answer this question. Why would Nicaragua -- harassed by counterrevolutionary bands, the CIA, and the Honduran military, and suffering serious economic and social problems caused by Somoza's legacy and the terrible U.S.-imposed embargo -- want to create a conflict with Costa Rica? Nicaragua does not want, nor could it possibly be thinking about creating at its southern border, a situation similar to the one on the border with Honduras. This is fundamental. As world observers have noted, anyone asserting the contrary is either ignorant or evidently acts dishonestly.

Logically, only the U.S. Administration, bent on setting fire to the region and the counterrevolution, could want to create an armed conflict on the Costa Rica-Nicaragua border. Lacking support in Nicaragua, the counterrevolution must create an international conflict in order to survive and profit. The extremely dangerous situation being created cannot surprise anyone. The imperialists' aggressive plan continues as reported by our party, our Secretary General Manuel Mora Valverde, numerous democratic sectors in the country, and the U.S. press and representatives. Will they succeed in dragging our country into an unjustified, cruel war? Will they succeed in pushing our youth to a massacre? Will they succeed in establishing repression and violence in our dear homeland? Will they succeed in occupying our homeland and enslaving us?

Powerful forces move in that direction. An intensive propaganda drive is carried out to create a climate of hysteria and irrational violence. However, we believe that our people and society are sufficiently strong in reason, civilization, and patriotism to prevent this tragedy. We Costa Ricans, in whose veins the blood of Juanito Mora and Juan Santamaria circulate, cannot suffer a group of mercenaries and new filibusters at the service of the CIA to gamble with our lives, our tradition of peace, and our future as a democratic, civilized, and independent nation.

Let's not let them drag us into an unjust war. Let's not let them poison the country's political and democratic life with appeals to hatred, witch-hunting, McCarthy-like intolerance, and repression. Our people want peace. We are sure that Nicaragua also wants peace. The national government must make all possible efforts to keep calm and be responsible under this critical circumstance. There is much at stake. We think that to hamper or destabilize the Contadora Group's negotiation and peace initiative will undermine dialogue and open the way to tension and war.

17 CUBANS ARRESTED TRYING TO DEPART ILLEGALLY

PA172326 San Jose Radio Impacto in Spanish 1830 GMT 17 Jun 85

[Text] Seventeen Cubans were arrested this morning at the Juan Santamaria International Airport [words indistinct] were trying to leave the country illegally. The arrest was made by the Rural Guard. The arrested were taken to the Alajuela headquarters. Apparently, the Cubans were waiting at the airport for someone to give them passports enabling them to leave the country. The identity of that person has not been determined. The charge for each passport in this case is unknown; however, it generally ranges between 1,000 and 3,000 [currency not specified] per passport.

Meanwhile, the Judicial Investigation Organization has been investigating counterfeit passports for several months. However, investigations have not yielded positive results because the culprits have not been arrested, and the location where the passports are being falsified has not been discovered, either. There were women and children among the arrested who are not in the custody of their relatives. Immigration authorities are about to institute a procedure by which new passports are printed with the polaroid system.

NEWSPAPER PROTESTS 'FREEDOM OF PRESS VIOLATION'

PA121701 Paris AFP in Spanish 0640 GMT 11 Jun 85

[Text] San Jose, 10 Jun (AFP) -- The TICO TIMES, the only English-language newspaper published in San Jose, today accused the newsmen's association of blocking its access to information sources, calling this a "flagrant violation of freedom of the press." The association, which by law comprises all professional journalists, on Saturday refused to grant TICO TIMES reporters credentials to visit a military training camp in the northeastern sector of the country that is run by U.S. Green Berets. "We protest and denounce the arbitrary rejection" of our request to participate in this activity, which was attended by over 70 foreign and local reporters, the TICO TIMES added. Copies of the document, signed by TICO TIMES editor Richard Dyer, were sent to local and international press and human rights organizations.

EL SALVADOR

GOVERNMENT FORCES KILL BRAZ COMMANDER, GUERRILLAS

PA131231 San Salvador LA PRENSA GRAFICA in Spanish 11 Jun 85 pp 2, 27

[Text] A commander of the Rafael Arce Zablah Brigade [BRAZ] and 14 other terrorists died in a clash with the Libertadores Battalion of the Treasury Police south of Usulutan, that corps has reported. According to the source, one of the bodies had a bracelet on one arm, identifying it as "commander of the BRAZ" but the identity of the commander, or at least his nom de guerre, has not been determined. The action in which this extremist leader died took place in the vicinity of the canton and village of Sisuguayo, located near Punta Jucuaran, the same area in which the other FMLN subversives died. Apparently, they were guarding a training camp and permanent living quarters located there.

The source added that the Libertadores, Jucuaran, and Atonal Battalions as well as personnel of the 6th Infantry Brigade headquartered in Usulutan have been jointly conducting operations to search, locate, and destroy terrorist redoubts throughout that department, and during the last 3 days they have destroyed three camps that were located in strategic locations.

The spokesman for the Treasury Police stated that among the items seized from the FMLN hordes there are 6 high-caliber rifles; 4 U.S.-made M-16 rifles; 2 Belgium-made FAL rifles; one M-79 rocket launcher; chargers; knapsacks; ammunition; various types of medicine, mainly antibiotics; first aid kits; and instruments for minor surgery.

In conclusion, the spokesman said that the government forces suffered absolutely no harm and reported no casualties.

TWO FMLN-FDR COMMANDERS SURRENDER TO AUTHORITIES

PA141618 San Salvador LA PRENSA GRAFICA in Spanish 12 Jun 85 pp 2, 29

[Text] Two more FMLN-FDR commanders have turned themselves in to military authorities.

According to military sources, the two guerrilla commanders have supplied extensive strategic information and many details about the guerrillas' organization. The dissidents are Commanders Marco Antonio Grande and Adid Ingles Alvarado, and are currently in the custody and protection of the Armed Forces, as they requested at the time they surrendered to military authorities.

Commander Marco Antonio Grande studied at Leningrad State University. He received training to occupy relevant posts in mass leadership, handling weapons, strategies, and so on. Grande speaks Russian and said that there are many other Salvadorans and Central Americans involved in guerrilla actions in El Salvador who have studied in Moscow and other important Soviet cities.

Regarding Commander Adid Ingles Alvarado, we were informed yesterday that he admitted that the attack against the 4th Infantry Brigade's garrison at the end of 1983 was planned in Havana, Cuba, and that the final touches were put on in Managua, Nicaragua. Commander Ingles Alvarado said that the Salvadoran war continues to be directed from Moscow and Havana, and that Nicaragua only plays the role of a bridge.

Both guerrilla leaders believe that as long as the flow of weapons into El Salvador via Nicaragua is not controlled, the situation will go from bad to worse.

With the surrender of these two FMLN-FDR leaders, a total of four guerrilla commanders have become inactive during the past weeks. First, Commander Nidia Diaz was captured in the Amatitan Arriba canton, San Esteban Catarina jurisdiction, San Vicente Department. Some time later, Commander Miguel Angel Castellanos turned himself in to the National Guard, followed by Commanders Marco Antonio Grande, and Adid Ingles Alvarado. The guerrilla commanders have said they are sorry for the damage they have caused to the Salvadoran people as leaders of terrorist groups that have been responsible for arson, holdups, robbery, murders, kidnappings, destruction, and so forth. Although Commander Nidia Diaz has calmed down in the past few days, she has made no statement. However, at the time of her arrest, important documents were seized from her, which have been very valuable for the military authorities.

According to reports from military sources in San Miguel, a terrorist column was caught by surprise while placing barricades at km 120 on the Pan-American Highway in the San Miguel jurisdiction. Two subversive commanders, supposedly Panamanians, were killed in the action. The latter reports have not been officially confirmed by the Armed Forces Press Committee.

LOCAL REPORTER HELD BY TREASURY POLICE

PA162350 San Salvador Radio Cadena YSU in Spanish 1800 GMT 14 Jun 85

[Text] Military sources contacted a few minutes ago confirm that reporter Francisco Javier Campos has been arrested and is currently in the hands of Treasury Police. We repeat: Regarding the arrest of a member of the local press, our news desk was informed that Francisco Javier Campos Sosa, Radio El Mundo and Radio Cadena Sonora correspondent, is being interrogated at the Treasury Police headquarters. This is the only information YSU has been able to obtain. However, we were told this is the routine procedure due to the charges made against Campos Sosa, and that his case is being investigated by the Treasury Police. A complete report on his arrest may be available in the next few hours.

U.S. AIR FORCE RECOVERS DAMAGED HELICOPTER

PA171606 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 16 Jun 85

[Text] Under orders of the U.S. colonels supervising Duarte's plans in Morazan Department, the U.S. Air Force recovered the reamins of a helicopter shot down by the FMLN at Rancho Quemado, in the northwest sector of Perquin. The operation was carried out at 1345 Saturday with the participation of a huge Chinook-type twin-engined helicopter, escorted by another helicopter gunship, both belonging to the U.S. Air Force.

The U.S. Embassy, which coordinated the rescue operation, had to urgently ask for the Chinook helicopter from its base at Palmerola, Honduras. The participation of U.S. military aircraft brought from Honduras takes place within the framework of the existing cooperation between the Governments of El Salvador and Honduras which includes removing the refugees from the area and clearing the border area of El Aguacerito and Sabanetas. This plan is intended to conclude, as we have already reported, with the delivery to Honduras of these territories under dispute.

The participation of this U.S. aircraft in a combat area in the Morazan Department clearly shows the extent of involvement of the U.S. Army in our country, bringing closer the day when U.S. pilots or soldiers will be directly in the sight of our revolutionary rifles. In fact, the scene we witnessed Saturday when a huge helicopter hauled away the crippled aircraft is proof of the lies of Press Committee of the Armed Forces [Coprefa], which tried to hide this great revolutionary victory from its troops and keep them from becoming more demoralized.

GUERRILLAS CLASH WITH ARMY BATTALIONS IN MORAZAN

PA162215 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 16 Jun 85

[Text] We continue attacking the six enemy battalions in Morazan Department. During the first hours of the enemy's operation, we have inflicted a total of 28 casualties on them, including dead and wounded. Reports received up to now by Radio Venceremos indicate that during today, Saturday, the guerrilla units have inflicted four casualties on the Arce Battalion, two casualties on the Ponce Battalion, and seven on the Leon Battalion. If we add these casualties to the 15 casualties already reported by Radio Venceremos, you will note that in the first hours of the operation we have already inflicted a total of 28 casualties on the enemy, including dead and wounded, to which we add destruction of the dictatorship's war machine: One helicopter was shot down and another damaged in the Rancho Quemado zone, northeast of Perquin, during the landing of the enemy's troops.

In 2 days of combat in the northeastern zone, the zone of victories, the FMLN has not sustained a single casualty as our forces correctly apply attrition tactics against the dictatorship's forces. In view of the initial failure of the operation in which Napoleon Duarte placed so much hope, this puppet of imperialism has ordered a disinformation campaign to disseminate lies and spread ridiculous rumors that our people do not believe.

We officially report that in Morazan Department our forces have not sustained a single casualty, and not one of our men has been captured by the enemy. It is also false that the airborne landing of troops was carried out to attack our command posts. The only truth in all of this is that the enemy has sustained 28 casualties and 2 helicopters, one shot down and the other damaged, have been put out of service.

We urge Napoleon Duarte, the Armed Forces Press Committee [Coprefa], and the high command gorillas to present the 15 guerrillas killed in combat against their forces. Where are their arms? We want to see them. Are we the dead guerrillas? We want to see them.

Our victory is obvious. The airborne tactics and the operations planned by the eight U.S. colonels, who are directing the war, have failed again. They failed in San Gerardo where they suffered a smashing defeat during "Torola IV" and they have failed again in this operation. We still do not have a name for this operation. Perhaps, in honor of Colonel Mendez and all of the high command gorillas the people can name it the "Idiot Number One Operation."

RADIO VENCEREMOS CLAIMS 132 ARMY CASUALTIES

PA142208 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Jun 85

[Text] We continue our policy of wearing out the dictatorship's troops. In this regard, we inform all our people that in the first 12 days of June we inflicted 132 casualties, including dead and wounded on the dictatorship's troops throughout the country. These were 132 casualties throughout the country in the first days of June. These casualties included those inflicted on the puppet army in its rearguard in Santa Ana.

POLITICAL PRISONERS COMMITTEE ISSUES COMMUNIQUE

PA142206 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Jun 85

[Communique issued by the Committee of Political Prisoners of El Salvador, Copres, at Ilopango Jail on 10 June]

[Text] Fifty days of hunger strike at Mariona Jail and 46 days of sacrifice at Ilopango Jail show the intransigence and the lack of respect for human rights displayed by the Salvadoran Government.

To our peoples and the international community, Copres reports:

1. Political prisoners, male and female, who are being kept at the Mariona and Ilopango Jails have insisted to the Justice Ministry, the president of the Republic, and the Legislative Assembly on the need for an effective and satisfactory solution to our release request.

2. We presented our demands to the government and published them in the media from the Mariona and Ilopango Jails. Despite the justness of our demands, the leaders of this country, instead of listening to our petition, have dealt irresponsibly with this problem by ordering threats to our security, and serious attempts on our lives have been carried out, endangering the lives of more than 400 male political prisoners at Mariona Jail and more than 45 female political prisoners at Ilopango Jail. In addition, our relatives have also been threatened.

3. President Duarte promised members of the Costa Rican legislature that in early May he would present his amnesty bill for all political prisoners and that this bill would include Costa Rican Julio Talavera. In addition, former Justice Minister Julio Francisco Cardona Herrera told our mothers and relatives that President Duarte had prepared an amnesty bill for all political prisoners. Such commitments and offers have been proven insincere, because time has passed and no positive results have been seen.

4. Assembly President Guillermo Guevara Lacayo was irresponsible and insensitive in his response to our mothers and relatives and the wife of Costa Rican citizen Talavera when he claimed that he did not know anything about the situation and the demands that our mothers and relatives had made.

In view of this, we feel that a government calling itself a defender of human rights and promising the world that it is ruling for our people within a democratic process is proving just the opposite with its negative attitude. This government has exhibited its insensitivity to the people's problems and demands and its increasingly close commitment to the capitalists who enjoy privileges and maintain the economic power, disregarding the exploitation, misery, and repression being suffered by our fatherland's poorest sectors.

President Duarte has promised a social pact. However, he has run his government with the oligarchy. President Duarte has promised humanization and democratization. However, 1 year after being sworn in he ordered an incredible increase in repression and human rights violations. The clearest sign of his intransigence is his refusal to solve the problems and meet the just demands of the political prisoners.

For months we have been reporting our situation at the two jails, and we have held Dr Francisco Cardona Herrera, Francisco Hermogenes Fuentes Magana, and Raul Lara as those responsible for the attacks on us. Duarte's government removed Cardona Herrera from the justice minister post and Raul Lara from his post as commander of Mariona Jail. This is a victory for our heroic hunger struggle, but it still does not diminish the responsibility of President Duarte and the Legislative Assembly.

Our sacrifice and the government's intransigence show our people and the international community once again that human rights violations continue in our country and the promises of democracy and humanization are empty promises to remain in the government, create false images, and attract a support it does not deserve from the conscientious and civilized governments and peoples of the world.

The physical deterioration suffered by the 15 male political prisoners of Mariona Jail and the 11 female political prisoners of Ilopango Jail after 50 days on a hunger strike will not be in vain. We are sure that they nurtured the conquests of political prisoners, our mothers and relatives, and the Salvadoran people in general.

For this reason, we have decided to end our 50-day hunger strike and show the Duarte government that our struggle has not ended. On the contrary, it will become stronger until we are free.

WORKERS GROUP URGES LABOR CONFLICT RESOLUTION

PA141754 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 13 Jun 85

[Press communique issued by the Coordinating Board of Solidarity with Workers [Coordinadora de Solidaridad de los Trabajadores -- CST] on 12 June]

[Text] To: The workers, the people in general, and the peoples of the world:

We announce that, in view of the intransigence of the management and the government of not solving the workers' labor problems, we state that:

1. The workers of Pesca Corporation in El Triunfo port went on strike on 18 January 1985, and their problem is still unsolved.

2. On 23 January, the management of the sugar refinery suspended activities, disregarding the fact that more than 300 workers were put out on the street.

3. On 8 April, workers of Martin Industries went on strike because the company owed them two paychecks and the management has not solved the problem yet.

4. On 5 May, El Leon Factory was closed, thus increasing the number of unemployed in the country.

5. On 20 May, the companeros of the Labels and Elastic Bands Company went on strike, demanding better fringe benefits and that their collective agreement be honored. This conflicts remains unresolved.

6. On 27 May, the companeros of the Sarti Shops went on strike due to the managements's stubbornness. It refused to solve their problems. The Sarti Shops workers are still struggling.

7. On 3 June the Administration of Waterworks and Sewers [ANDA] workers went on strike demanding the dismissal of Engineer Jose Ricardo Perdomo because he is a cruel master to ANDA workers.

8. On 1 August 1982, Industrial Textiles Company dismissed all it workers because the company closed its installations.

In view of all these problems, the workers who make up the CST demand the president, the labor minister, and the companies to solve these problems.

GUATEMALA

ASSASSINATION PLOT AGAINST CANDIDATE ALLEGED

PA142225 Guatemala City Radio-Television Guatemala in Spanish 0300 GMT 13 Jun 85

[Excerpt] Alfonso Cabrera, secretary general of the Guatemalan Christian Democratic Party, has presented Deputy Head of State General Rodolfo Lobos Zamora with a report on a presumed plot to assassinate his party's presidential candidate, Vinicio Cerezo Arevalo. Cabrera (?said) that he gave the deputy head of state information of the whereabouts of the plotters.

[Begin recording] We have gathered data from various sources over the past several weeks indicating that a local group is collecting money and making plans to hire someone to murder our presidential candidate, Vinicio, and his wife, Raquel de Cerezo Arevalo.

This prompted us to compile a report, which we have presented to Gen Lobos Zamora, asking him to open an investigation into this case. Raquel was followed on Saturday night and Sunday morning. We recorded license plate numbers and other information that we have passed on the Gen Lobos Zamora to assist in the investigation. [end recording]

GUERRILLAS KILLED IN CLASH ON MEXICAN BORDER

PA140341 Guatemala City PRENSA LIBRE in Spanish 12 Jun 85 p 7

[Text] San Marcos -- The Guatemalan Army's Public Relations Office has reported that two guerrillas were killed yesterday in clashes with patrols of the 18th and 19th Military Regions in Gracias a Dios on the slopes of Tajumulco Volcano in San Marcos Department, close to the border with Mexico. According to the sources, passages used by the subversives on the Guatemalan-Mexican border to enter the national territory are apparently under control. The guerrillas escape through these passages when pursued, as happened during the recent clash when two rebels were killed. The other subversives escaped to Mexican territory. The two military patrols converged on one another in a pincer movement, killing two of the rebels, who offered stiff resistance. Upon fleeing, the others left behind M-16 rifles, M-26 fragmentation grenades, backpacks containing food and medicine, and documents on their operations. The Army is studying these documents to adopt the necessary measures for the safety of local residents.

HONDURAS

LABOR DELEGATION MEETS WITH SUAZO CORDOVA

PA122302 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 11 Jun 85

[Text] On Monday Honduran President Roberto Suazo Cordova received a delegation of the American Institute for Free Labor Development, AIFLD. The members of this organization are touring Central America and will stay in Honduras 2 days. At the end of the meeting with Suazo Cordova, AIFLD coordinator David (Jessup) spoke.

[Begin recording] [(Jessup)] We are touring the five Central American countries to become better acquainted with workers' and peasants' procedures, exchange ideas with them, and understand the political problems of each of the area countries.

[Reporter] What do you think about unionism in Honduras?

[(Jessup)] It was (?pleasant) for us to find in this country a trade union movement that is not only [word indistinct] but also participates in the country's democratic process.

[Reporter] What specific topics did you discuss with the president?

[(Jessup)] We discussed the foreign debt, currency, and devaluation. We also discussed Nicaragua and its efforts to destabilize other countries in the region and turn those countries' governments toward Marxism-Leninism. Finally, Suazo Cordova spoke about the role of trade unionism in the country and the latest political crisis. We are very glad to hear that this crisis is about to be resolved. [end recording]

PRESIDENT REQUESTS TIGHTER CUSTOMS CONTROLS

PA162337 Tegucigalpa Domestic Service in Spanish 1130 GMT 15 Jun 85

[Note from President Dr Roberto Suazo Cordova to Manuel Fontecha, secretary of state for finance and public credit -- date not given]

[Text] Manuel Fontecha F., secretary of state for finance and public credit:

Mr Secretary:

In view of reports published in various media regarding increased contraband as a result of serious monetary imbalances experienced by neighboring countries, and taking into consideration an expose made by the Honduran Council for Private Enterprise [COHEP], during a meeting with government officials on 5 June at the Honduran Central Bank, I hereby order the Secretariat of Fianance and Public Credit to immediately reinforce customs controls to counteract contraband and tax evasion.

To that end, the secretariat must act without hesitation and remove officials and employees proven responsible in the illegal introduction of merchandise into the country. The Secretariat must proceed at all times in keeping with the law and not pay attention to any influences or political recommendation.

In addition, it must also immediately investigate properly founded reports of contraband and tax evasion. To this end, the Secretariat is authorized to establish a consultative commission comprised of COHEP-designated representatives to channel such reports and recommend measures to reinforce customs controls.

Attentively,

[Signed] Roberto Suazo Cordova, constitutional president of the Republic of Honduras

GOVERNMENT ACTS TO RESTRICT TEXTILE IMPORTS

PA131641 Tegucigalpa Cadena Audio Video in Spanish 1145 TMT 11 Jun 85

[Excerpt] The Honduran Government has decided to stop the importation of textiles that can be manufactured locally, claiming that dishonest businessmen are using legal subterfuge to evade taxes. International financial institutions, including the World Bank, have endorsed the government's decision, which is aimed at protecting the local manufacturers, who must contend with dishonest competition and contraband. The activities of organized rings, which have the nerve to report their dealings with much fanfare in the local press, have driven many Honduran industries to partial paralyzation and close to bankruptcy.

FOREIGN SECRETARY PAZ BARNICA VISITS TAIWAN

PA171634 Tegucigalpa Domestic Service in Spanish 1130 GMT 17 Jun 85

[Text] The Republic of China's Government will increase its technical and financial cooperation with Honduras, as a result of the efforts made by Honduran Foreign Secretary Edgardo Paz Barnica. The Chinese Government will also grant nonrefundable [words indistinct] to promote Honduran development in various [words indistinct]. Paz Barnica met with President Chiang Ching-kuo,Prime Minister Yu Kuo-hua [title as heard], and Foreign Affairs Minister Chu Fu-sung, with whom he discussed matters of common interest.

Paz Barnica also made the necessary arrangements for several Honduran journalists to visit China in the near future, to strengthen even more the friendship and understanding between the two nations. Paz Barnica will return tomorrow, after completing a fruitful tour at the invitation of the Chinese Government.

NICARAGUA

ORTEGA PROMISES TO STUDY MEDIA SITUATION

PA151756 Managua Domestic Service in Spanish 0300 GMT 15 Jun 85

[Text] The president of the Republic, Daniel Ortega Saavedra, upon receiving the document of the Union of Nicaraguan Journalists [UPN] on the resolutions reached at the Aura Ortiz congress held in Leon, noted the consistency and maturity of the union members and acknowledged their concern over the measures which currently regulate the media in the country.

Ortega reminded them that many countries in the world are faced with situations that demand emergency measures, and said that in our country, despite having to deal with an aggression by the most powerful nation of the world, there are many facilities offered to the newsmen. He stressed that under these circumstances, any other Latin American country would apply a permanent radio netowrk, limiting the media's development. Commander Ortega indicated that the journalists' demands would be studied and a decision would be made in accordance with the circumstances. He exhorted the journalists to continue developing their professionalism, just as they have been done since the victory of the revolution.

PSD DEMANDS IMMEDIATE END TO PRESS CENSORSHIP

PA112347 Managua LA PRENSA in Spanish 9 Jun 85 p 8

[Letter from the National Executive Council (CEN) of the Social Democratic Party (PSD) to President Daniel Ortega Saavedra, dated on 7 June]

[Text] Mr President:

This letter is in regard to the unwarranted and reckless proposal the so-called Union of Nicaraguan Journalists (UPN), plans to make in order to indict the brave editors of Nicaraguans' newspaper LA PRENSA. We must address you because the attempts to divide the news media even from the final stages of the revolutionary triumph, the suspension of state advertisement, the attacks and the imprisonment of that newspaper's staff, the systematic closings that the News Media Directorate has decreed in the past against LA PRENSA, the more recent acts of prior censorship, and the arbitrary removal of its announcements from ball parks, cannot be considered separate from the UPN's recently disclosed recommendations.

We state that we cannot consider the UPN stance separate because, as our people know full well, the so-called UPN long ago ceased to be an organization representing newsmen and became a satellite organization of the ruling FSLN.

To indict LA PRENSA's editors would be to indict liberty itself. The so-called UPN's "proposal" seeks to again murder Pedro Joaquin Chamorro Cardenal, who from the day of his glorious death has been waging the final and defeinitive battle for his ideals and so that his beloved fatherland will "be a republic again."

The goal is to silence LA PRENSA because it has been claiming the freedoms instilled in our people and denouncing the outrages committed against those who cannot speak out. The document by that organization partisan to the FSLN not only reaches the limit of pretending that free men and mews media censor themselves, but also that newsmen become censors "so as to define and classify the outlook of the news media they work for."

That immoral proposal constitutes not only a new attack on the liberty of expression, but also a gross violation of the human rights of the entire Nicaraguan people, who are entitled to be freely informed.

Therefore, we not only denounce that unpatriotic and unjournalistic stance of the so-called UPN, but we also demand that the government immediately suspend the prior censorship imposed on LA PRENSA for over 3 years and respect the free circulation of ideas of the entire Nicaraguan society, as this has been an outrage against our people. We must also reiterate to you that we will stand beside LA PRENSA, its editors, and staff because this newspaper has ceased to be a mere newspaper company, to become an institution of the fatherland.

Sincerely,

Guillermo Potoy, political secretary

JOURNALISTS REQUEST SUSPENSION OF CENSORSHIP

PA122213 Managua BARRICADA in Spanish 10 Jun 85 p 8

[Text] Leon -- The Union of Nicaraguan Journalists (UPN) has requested the suspension of prior censorship of the country's mass media at the end of the Aura Ortiz congress which has been taking place for 3 days in this city. The UPN also supported the request for paper and other materials made to the government by several newspapers belonging to different political parties.

The UPN agrees that "during national emergency situations" it is legitimate to consult and confirm military information, however, the group states that this situation cannot hinder [the circulation of] nonmilitary information. Nonetheless, the resolution warns that counterrevolutionary projects disguised as news media must be subject to preventive action [labor preventiva] by the Interior Ministry (MINT) to prevent violations of the law and to maintain public security.

The newsmen also scored the trade embargo, the U.S. Senate vote endorsing aid for the contras, and the U.S. joint military maneuvers in Honduras. In addition, the newsmen denounced the installation of Radio Marti and protested the electronic war being waged against Nicaragua through a Voice of America relay station in Costa Rica. Moreover, the UPN condemned the installation of a similar radio station in Honduras.

Another resolution urges Costa Rican newsmen to help ease the tension between Costa Rica and Nicaragua, which has deteriorated in recent days due to the provocations brought about by the Democratic Revolutionary Alliance [ARDE] mercenaries in the border area.

ORTEGA ISSUES MEDICAL TEACHING ASSIGNMENTS

PA170303 Managua Radio Sandino Network in Spanish 1200 GMT 15 Jun 85

[Text] Yesterday Commander Daniel Ortega Saavedra, president, acknowledged the work of specialized doctors who play a role similar to that of fighters in the combat zones. This acknowledgement was made as Ortega gave medical teaching assignments to more than 400 national and foreign doctors. President Ortega spoke at the Cesar Augusto Silva Convention Center in Managua to commemorate the 57th anniversary of the birth of Che Guevara and the 6th anniversary of the Sandinist revolution. He denounced the manipulations of foreign media that have reported Nicaraguan doctors have left the country.

He noted there are now 2,000 doctors in the country and only 250 have left. This year, he said, 390 specialists will graduate and 366 others will begin studies. President Daniel Ortega acknowledged the important role that brotherly Cuban and Soviet doctors have played through their contributions to the health of the Nicaraguan people.

GROUP TO ATTEND PARLIAMENT MEETING IN BRAZIL

PA170253 Managua Radio Sandino Network in Spanish 1200 GMT 15 Jun 85

[Excerpt] The Nicaraguan National Assembly delegation that will arrive in Brazil today to participate in a meeting of the European and Latin American parliaments from 16 to 22 June will present four topics for discussion by the parliaments. One of the topics is Nicaragua's foreign debt. Clemente Guido, of the Conservative Party, who is vice president of the National Assembly, is heading the Nicaraguan delegation. The delegation is composed of Deputies Rafael Solis, Ray Hooker and Yadira Centeno.

BORGE SAYS CHURCH MEDIATION ROLE 'IMPOSSIBLE'

PA162156 Panama City ACAN in Spanish 1852 GMT 16 Jun 85

[By Lorenzo de San Jose]

[Text] Managua, 16 Jun (ACAN-EFE) -- Nicaraguan Interior Minister Tomas Borge stated that the mediation of the church between the Sandinists and the rebels is "impossible" and accused the U.S. Embassy of directing a group of "provocateurs" who attacked the police during the welcome ceremony for Cardinal Miguel Obando y Bravo. During the closing session of the Latin American Christian Students Assembly held yesterday, Borge reiterated the Sandinists refusal to talk with the "mercenaries."

Borge stressed that the Managua government will never talk with the "contras" but it would talk with the United States, a country he accused of being responsible for the deaths of thousands of Nicaraguans. Commander Borge noted that accepting the mediation of the church in talks with the anti-Sandinists would mean "to yield." The interior minister's words followed the message of "reconciliation and harmony" among all Nicaraguans delivered yesterday by Miguel Obando y Bravo, archbishop of Managua and new cardinal of Central America. On previous occasions, the prelate expressed his interest in serving as mediator between the Managua government and the "contras" in an attempt to start a dialogue in search for peace in the country.

Borge accused the U.S. Embassy in Managua of directing a group of "provocateurs" who attacked the Sandinist policy during the welcome ceremony for Cardinal Miguel Obando y Bravo on Friday. The minister stressed that the disturbances were "planned without the knowledge of the religious men who organized the cardinal's welcome." Commander Borge accused "members of the counterrevolution and reactionary parties of being the perpetrators of the provocations.

The Sandinist leader did not give the exact names of the parties responsible for the incident during which 11 policemen were wounded and two vehicles were partially damaged. During Cardinal Obando y Bravo's welcome at this city's airport on Friday, a group of 80 people, who forcefully attempted to enter the area, provoked incidents when they threw stones and used sharp objects against the unarmed Sandinist soldiers. Borge said that according to an agreement reached between the church-government commission, only 12 religious authorities and approximately 100 special guests of the church were allowed inside the airport.

Rules Out Dialogue With Contras

PA171620 Managua Radio Sandino Network in Spanish 1200 GMT 17 Jun 85

[Text] Commander of the Revolution Tomas Borge Martinez, Nicaraguan interior minister and member of the FSLN National Directorate has vigorously refuted the proposal of the so-called Nicaraguan Democratic Coordinating Board by stating that the revolutionary government will not hold talks with the counterrevolution's leaders becuase that would be capitulation. The revolutionary leader recalled the thousands of crimes committed by the leaders of the Nicaraguan Democratic Force [FDN] against the people and said that the revolutionary government is willing to hold talks at Mazanillo with U.S. leaders who finance and direct the Somozist mercenaries.

[Begin Borge recording] What do they want not to attack us? They want us to hold talks with the counterrevolution. They believe that dialogue is the magic formula that will end the war and bring peace in Nicaragua. However, what kind of peace would that be? What is the real meaning of holding talks with the counterrevolution? It would mean holding talks with those who massacred Nicaraguan people for decades, holding dialogue with [FDN leader] Adolfo Calero, on whom [State Security chief] Lenin Cerna has a voluminous file tracing his actions as a CIA agent. There is no doubt that Adolfo Calero is a CIA agent. It would mean reinstating the Somozists' voice, which we took away from them, by allowing criminals such as former Somozist guardsman, the former Colonel Enrique Bermundez, to speak. It would mean sitting at the same table with those who bombed Esteli, Leon, Matagalpa, and Masaya, and with those who massacred peasants at Monimbo and [name indistinct].

Gentlemen of the Coordinating Board who are publicizing documents asking for dialogue, unimaginatively echoing President Reagan's words: You are asking us to talk with Pedro Joaquin Chamorro's assassins, with those who killed Edwin Castro, Humberto Narvaez, and so many others including [name indistinct], not to mention the best known, the thousands of Nicaraguans murdered by the National Guard.

I believe that to hold a dialogue is an affront to our intelligence. How can we negotiate with Juan Angel Lopez' colleagues? Perhaps some Nicaraguans have forgotten who Juan Angel Lopez is. He is a guardsman who murdered hundreds of peasants in Leon and Chinandega when they asked for land. I believe he was a colonel. When he was told that the peasants wanted land he answered: No, but I will given them water. How can we discuss the interests of the Nicaraguan workers with those who punished and repressed with death the struggles for benefits waged by stevedores, drivers, teachers, construction workers, students, and nurses? How can we even agree to talk with those who only 3 days ago attacked a Jinotega peasant settlement, destroying, murdering, raping women, burning 61 peasant homes, adding 20 more orphans to the list that a companero just referred to? What would it mean to hold talks with the counterrevolution? It would mean compromising the land we have turned over to the peasants, denying the land reform, which was what happened after Sandino was killed, when peasants were stripped of the lands Sandino had given them and which they organized into cooperatives. Those lands were seized from them, stolen, and returned to the large landowners.

They say that a dialogue whould mean holding new elections, eliminating the Sandinist Defense Committees [CDS], the State Security, the Army, and the police. He who is making such a proposal is a raving madman, and he who accepts it is even crazier. We are sane. [applause] [end recording]

Charges U.S. Preparing 'Invasion'

PA170110 Panama City ACAN in Spanish 0016 GMT 17 Jun 85

[By Denis Garcia Salinas]

[Text] Managua, 16 Jun (ACAN-EFE) -- Nicaraguan Interior Minister Tomas Borge stated in this capital that the United States is preparing a direct intervention against that country with 125,000 soldiers, of whom 65,000 would be combat troops. The Sandinist leader said that Washington has everything prepared for the invasion on Nicaragua and has more than 160,000 U.S. soldiers ready to intervene against Nicaragua at any moment. The military intervention would have the participation of aircraft, combat helicopters, and medical personnel to take care of the possible wounded, said Borge, adding: The gringo strategies have already estimated the possible number of casualties that would be inflicted on them.

The interior minister affirmed that the top leaders of the White House "have even made computerized studies of the invasion" against this small country that was invaded by Marines in 1912, 1927, and 1932. Although the Sandinist leader did not specify a date on which the United States would launch the attack, Defense Minister Humberto Ortega announced 2 days ago that the possibility exists that "Marines" may use Honduras and Costa Rica as bases.

According to THE NEW YORK TIMES the U.S. military strategists trust that in 1 or 2 months they would defeat the Sandinists and install a new government made up of the opposition. The invasion against the Managua regime was described by U.S. militarymen "as a field trip."

Although the interventionist plan was denied by U.S. President Ronald Reagan, the Sandinists fear an invasion in view of the U.S. "aggressive policy" that is ever increasing with military interference in the region.

Borge revealed that Washington plans to reduce its diplomatic personnel and subsequently break relations with Nicaragua in its preparations for a direct invasion. "Therefore, we will not renounce the use of weapons but would do so only when defense is no longer necessary," the oldest FSLN militant said, adding: "No one renounces a shield when he is surrounded by daggers."

Two days ago the defense minister charged that the United States is preparing an attack on a sector of Penas Blancas, Costa Rica, with aircraft bearing the markings of the Sandinist Air Force to "pit us against that country," with whom relations have deteriorated in the past few days. The leader indicated that Ronald Reagan has just formed an alliance with the anti-Sandinist rebels Arturo Cruz, Alfonso Robelo, and Adolfo Calero with the intention of counting on "a political head that will justify what Nicaragua charges is the invasion."

Brigade Commander Hugo Torres, chief of the political section of the Sandinist People's Army, said that the invasion" would not be a field trip," but would provoke "disastrous consequences for the region." Torres affirmed that the Sandinists will not adopt a conventional-type war against the "most powerful army on earth," but would face it with the "organized people and combined methods of struggle."

The military leader affirmed that he would oppose Reagan's "blitzkreig" with the "war of active resistance where we will use tanks, arrows, mines, and Vietnamese-type booby-traps." As long as there is a Nicaraguan alive, there will be a poisoned U.S. soldier," Torres stressed.

MIDINRA EXPROPRIATES BOLANOS FAMILY PROPERTY

PA152018 Managua Domestic Service in Spanish 0300 GMT 15 Jun 85

[Text] In a progressive step for the revolutionary agrarian reform program in answer to the aspirations of the peasants to have their own land to till, the Agricultural Development and Agrarian Reform Ministry, Midinra, today expropriated the properties of the (Sainsa) group, owned by the Bolanos family, in Masaya Department.

A decree of the Midinra minister, Jaime Wheelock Roman, has ordered the expropriation of the following properties: Rosalinda, El Recreo, San Patricio, San Jorge, San Jose, and La Pollera, of the Bolanos family, headed by Enrique Bolanos, president of the Higher Council of Private Enterprise, COSEP.

In a ceremony at the Pedro Joaquin Chamorro Plaza, in the Monimbo District of Masaya, Jaime Wheelock Roman, commander of the revolution and minister of Midinra, delivered 216 agrarian reform titles to the same number of peasant families in the region. In addition, the same decree declared the 323 km between Tisma and Nindiri, in northern Masaya, as an agricultural development and agrarian reform zone.

At the same time, Wheelock announced that as of now, 1,700 peasant families become the new owners of 6,719 manzanas of land expropriated today by Midinra. In his statement, Commander Wheelock noted that the only property not to be expropriated is that of Santa Ana, owned by Jose Domingo Bolanos, whom he called an excellent producer.

MISKITO LEADER PRAISES RESETTLEMENT PLAN

PA132320 Managua Radio Sandino Network in Spanish 1200 GMT 13 Jun 85

[Excerpts] Minerva Wilson, a Miskito leader of northern Zelaya, told this station that Miskitos who live in Tasba Pri cannot talk about autonomy without stressing their return to the banks of the Coco River because this is their most heartfelt desire.

[Begin recording] The most heartfelt desire of the people in Tasba Pri is to return to the Coco River. We cannot talk about autonomy without talking about returning to the Coco River. Those of us who live in Tasba Pri, especially our old people, are very excited about this. Our people said they never expected this and that it seems like a dream. In general, the return to the Coco River is the aspiration of all the communities that once lived on its banks. [end recording]

Companera Wilson said that in order to make the transfer of the Miskitos to their places of origin a reality, there must be willingness on the part of the rebels of Miskitos, Sumus, and Ramas [Misura] and Miskito, Sumu, and Rama Sandinist Unity [Misurasata].

[Begin recording] This transfer cannot be carried out if there is no willingness on the part of the rebel groups. If Misura and Misurasata are not willing to cooperate, the transfer will be impossible. The government is willing to carry it out, but its actions might be blocked by their activity on the roads. Those activities harm the national economy and the Miskito people. They destroy the trucks that we will use to travel. They block the roads and are preventing the construction of the [name indistinct] bridge that we need to travel to the Coco River. I think Misura and Misurasata should act more maturely. If they really represent the interests of some Miskitos, they should respond to those interests. [end recording]

TORRES UPHOLDS COUNTRY'S RIGHT TO ARM

PA142341 Managua Domestic Service in Spanish 0300 GMT 14 Jun 85

[Text] Brigade Commander Hugo Torres Jimenez, chief of the Sandinist People's Army [EPS] Political Directorate, said today that Nicaragua has the right and obligation to arm itself in order to defend the country against direct U.S. intervention. He said that Nicaragua will continue to intensify its attacks against the mercenaries who are being defeated. Nicaragua will also continue insisting on the country's military defense. Torres Jimenez said that Nicaragua will not face the mighty U.S. Army in a conventional war but instead would organize the people and employ diverse warfare techniques. Commander Torres Jimenez labeled the U.S. Congress' approval of millions in aid to the contras as a dangerous step in the aggressive policies of the Reagan administration in its war against Nicaragua.

Speaks of Military Preparedness

PA151730 Managua Radio Sandino Network in Spanish 1200 GMT 14 Jun 85

[Text] The Sandinist People's Army [EPS] will continue to work on military plans, increase the defeats of the CIA mercenaries, and further prepare our combat units to face a generalized war that could be produced by a direct U.S. intervention. This statement was made to Radio Sandino by Brigade Commander Hugo Torres Jimenez, chief ot the EPS Political Directorate. He said that if the Reagan administration launches a direct adventurist aggression against Nicaragua, he will be putting Central America in a truly dangerous situation.

Here is a brief interview with Commander Hugo Torres. This interview took place a few moments after President Commander Daniel Ortega announced on behalf of the revolutionary government and the FSLN Nicaragua's decision to suspend the moratorium on the purchase of arms.

[Begin recording] [Question] The president has announced the government's decision to suspend its unilateral suspension on the purchases of arms and [words indistinct].

[Torres] The situation provoked by the current U.S. Administration has forced our government and people, who face the threat of a direct U.S. intervention, a threat that includes the U.S. Congress' approval of aid for the counterrevolution, to prepare for an eventual U.S. direct intervention against our people. This means that Nicaragua, which has been unilaterally trying to develop a more suitable climate to search for a negotiated political solution to the problem of relations among the Central American nations and between our people and the United States to further strengthen the hopes for peace, is now forced by this situation provoked by the Reagan government to further arm itself. Our people must be given the arms necessary to counter an intervention that is being prepared and planned, an intervention that has received the approval of the U.S. Congress in the form of support for the counterrevolution -- a support that will encourage President Reagan to further increase the aggression against Nicaragua.

[Question] Commander, it has been said that Nicaragua will get more arms.

[Torres] The fact that Nicaragua could be getting more arms in addition to those it already has will be, in any event, a result of the efforts that were announced by the president in his speech. What will be done is to seek from various countries arms that will help us improve our defensive capabilities in the event of a U.S. military intervention.

This is the work that will be done, this week, as the president has announced.

[Question] How will the Armed Forces respond in the event of a U.S. military aggression against our country?

[Torres] We, the EPS, continue to implement our military plans against the mercenary forces, which have been suffering serious defeats in 1985. We are going to produce bigger defeats in the next few months. We are going to continue implementing the EPS combat unit training program to face this type of aggression and to be ready for a generalized war that could result from direct Yankee intervention. We are also going to prepare the country for war. We are going to further improve plans to get all the citizens --workers, students, peasants, and women -- involved in the defense of the country, if there is a direct Yankee intervention. We are going to continue with our plans to train militia and reserve units by implementing the Patriotic Military Service law and through our preparations for civil defense and other activities related to the defense of our people and our country. [end recording]

EPS CHIEF BLAMES CONTRAS FOR 6 JUNE INCIDENT

PA130414 Managua BARRICADA in Spanish 10 Jun 85 p 5

[Text] San Carlos, Rio San Juan Department -- Commander Roberto Calderon, chief of the Sandinist People's Army [EPS] 5th Military Region, has stressed here: "We detected movements by the mercenary units which could attack EPS border posts in San Pacho, La Esperanza or La Noca, along the entire southern border area, especially in the Los Chiles community in Costa Rica.

Calderon, who had traveled to several points along the border to obtain firsthand information about the situation, told BARRICADA that those mercenary concentrations were part of a campaign against our country so as to deceive the Costa Rican people and to create a climate of tension in bilateral relations.

On 6 June, unidentified units heavily bombed Nicaraguan territory for 20 minutes from a place located 2 km from Las Cruces stream, but Nicaraguan troops did not return the fire. Two days later near the Palo de Arquito area located 20 km east of here along the banks of the San Juan River, there was an act of provocation staged from the other side of the border when M-60 machine gun bursts and three mortar explosions were heard. Last week, counterrevolutionary movements were detected in front of the Cachito area in Costa Rica.

Commander Calderon noted that yesterday at 0100, machine-gun fire and four explosions from a 60-mm mortar were heard for 35 minutes in the area known as El Raudal coming from the house of mercenary collaborator Eliecer Sandi. Calder noticed that a few hours later, Costa Rican radio stations reported that three dead persons and one wounded person were located at the site of the incident. According to those stations, one of these persons (one of them hospitalized in Los Chiles) "looked like a Nicaraguan wearing civilian clothes and military boots." Calderon stated that this leads to the conclusion that the mercenaries could have exploded their own mortars or other weapons which they were to use to attack Nicaraguan posts.

The Sandinist military chief warned: "All these facts support the existence of a campaign to attack Nicaragua, despite our country's assurances to Costa Rica on the safety of its border and that Nicaraguan troops are operating inside our territory and have never considered entering that neighbor country."

Calderon recalled that during telephone conversations with Colonel Oscar Vidal, Costa Rican Civil Guard director, as well as through the Contadora Group's Supervision and Prevention Commission, Costa Ricans have received assurances that they could retrieve the body of the Civil Guard killed on the border as a result of an incident which Nicaraguans blame on a mercenary attack against a Costan Rican patrol.

Despite Nicaragua's assurances, on 3 June Costa Rican news media charged that a helicopter from that country participating in the operation to rescue the body was "shot at," yet, "that day, our troops did not report the presence of a helicopter," Calderon stated. On the next day, Calderon added, Costa Rican authorities assured that due to bad weather in the area no helicopter had made any flight.

PUERTO CABEZAS CENTRAL WATER PLANT SABOTAGED

PA170009 Managua Radio Sandino Network in Spanish 1200 GMT 15 Jun 85

[Text] The central water plant that supplies water to Puerto Cabezas, in northern Zelaya Department, was sabotaged at dawn on Thursday, leaving the townspeople and the local hospital without water. This announcement was made last night by Commander of the Revolution Daniel Ortega Saavedra, president, who noted there are patients in the affected hospital. The president said the attack on the water plant in Tuapi, northeast of Puerto Cabezas, is another human rights violation resulting from the warmongering U.S. policy against Nicaragua.

5 CONTRAS KILLED NEAR DESTROYED ARDE AIRSTRIP

PA171548 Managua Radio Sandino Network in Spanish 1200 GMT 17 June 85

[Text] Five counterrevolutionaries were killed on Friday when they tried to cross the southern San Juan River by boat. The contras were killed on the Machado Stream, 4 km from the airstrip built by the counterrevolutionaries of the Democratic Revolutionary Alliance [ARDE] a[illegible]hich the Sandinist People's Army destroyed. The weapons and supplies to suppor[illegible] a counterrevolutionary plan to destabilize the region were scheduled to arrive at that strip.

21 CONTRAS DIE IN JINOTEGA CLASHES 3-6 JUNE

PA122015 Managua Radio Sandino Network in Spanish 0000 GMT 11 Jun 85

[Text] Twenty-one counterrevolutionaries died as a result of clashes on 3, 4, 5, and 6 June between troops of the Sandinist People's Army [EPS] and mercenary forces in the areas of La Reina, San Vicente, and Los Gualices, approximately 32 or 36 km northwest of Jinotega, and in Aguascalientes, 20 km south of Wiwili, also in Jinotega.

One of the mercenary casualties was the commander of the mercenary detachement. He had a document that contained the name of Santiago Arnoldo Ubeda Cano and a list of government delegates and members of mass organizations from San Rafael del Norte who were to be murdered.

CASTRO PRAISES PANAMANIAN DEFENSE FORCES

PA130412 Panama City Televisora Nacional in Spanish 0000 GMT 13 Jun 85

[Text] Cuban President Fidel Castro has underscored the historical mission that the Panamanian National Defense Forces play in the Torrijos-Carter treaties and described Panamanian military men as the most intelligent and astute Latin Americans he knows. The Cuban leader held a press conference on the occasion of a Latin-American women's meeting. According to the LATIN AMERICAN AGENCY FOR SPECIAL INFORMATION,(ALASEI), during the press conference Castro said that the Panamanian military men carry an army within them; 14 years from now they will receive their canal, and they have to handle this with great care. This is not a simple thing to do, because the Yankees will use the slightest excuse not to keep their side of the agreement, Fidel Castro said.

Without passing judgment regarding President Ardito Barletta's economic policy, the Cuban president said that Torrijism is not dead. Torrijism, Castro added, lives in the National Guard, in the Torrijist party, and in the Panamanian people. Castro continued stating that he is not pessimistic regarding Panama. He has trust in Panama, the Cuban leader said.

USSR CENTRAL COMMITTEE MEMBER PETROVICHEV ARRIVES

FL171656 Havana Domestic Service in Spanish 1417 GMT 17 Jun 85

[Text] Nikolay A. Petrovichev, chairman of the State Committee for Vocational and Technical Education of the USSR, has arrived in our capital, invited by the Ministry of Education. The delegation headed by Petrovichev, who is also a member of the CPSU Central Committee and a deputy of the Supreme Soviet, will visit educational and historical centers during its stay in Cuba.

SOVIET AID TO ENERGY PROJECTS HIGHLIGHTED

PA140317 Havana International Service in Spanish 1800 GMT 10 Jun 85

[Text] Cuban-Soviet cooperation will be strengthened during the development of energy and nuclear energy projects for industrial purposes. During the next 5-year period, from 1986 to 1990, among other works it is expected that the thermoelectrical plant located east of Havana will be completed, and that the setup of 500-kilovolt transmission lines will continue. Thanks to such cooperation agreements, Cuba currently has 220-kilovolt transmission lines, of which there were none prior to January 1959.

COMMENTARY PRAISES SOVIET-CUBAN TRADE PROTOCOL

PA141614 Havana International Service in Spanish 0000 GMT 12 Jun 85

[Station commentary]

[Text] Cuba and the Soviet Union recently signed the largest trade and payments protocol in the history of the bilateral relations between the two countries. This protocol amounts to more than $9 billion in their ruble equivalent. The amount of this new agreement shows a remarkable increase in comparison with that of 1984 and doubles the level of trade between Cuba and the USSR in 1980.

Cuba has become one of the six largest trade partners of the Soviet Union since this Caribbean nation joined CEMA in 1972.

In addition to shipments of oil and its by-products, which we get for prices lower than those of the world market, the USSR sends Cuba iron ore, sheet iron, fertilizer, cotton, cereals, tractors, automobiles, ships, and agricultural and road construction equipment. The Soviet industry also supplies cultural items, cosmetics, lumber, paper, chemical products, and food, and gives assistance in the prospecting and drilling for oil and other minerals.

Cuba exports to the Soviet Union products such as raw sugar, at higher prices than those fluctuating at the depressed world market; nickel concentrate; cobalt; citrus fruits; rum; tobacco; cigars; marble; juices; fruit preserves; and candy.

Thanks to the Soviet assistance, Cuba can already process 95 percent of the steel we produce, 100 percent of the sheet metal, 80 percent of the fertilizer we need, and approximately half of the energy we need, and half the textiles and yarns, as well as all of the sugar harvesters for our main industry. During the current 5-year period, which ends in December, several big industrial enterprises will start operating. They include a large nickel plant, a textile mill, and plants for the repair of motors and trucks. In addition, with Soviet cooperation Cuba will continue to take quick steps toward the control and peaceful use of nuclear energy through the construction of the Cienfuegos nuclear plant. Cuba will also build new oil refineries and will modernize the Antillana steel factory, among other important economic projects.

The increase in the Soviet support for our economy and the growth of trade between the two nations contrast with the situation of other Latin American and Caribbean nations in their ties with international capitalism, headed by the United States. While the Cuban economy and its trade grow and develop in favorable conditions as a result of the fair economic system we have afforded ourselves and the permanent support of the Soviet Union and other socialist countries, the rest of Latin America and the Caribbean watch their economies become stagnant and their foreign debt increase. Last year, their debt surpassed $360 billion, 30 times more than little over 2 decades ago.

In addition, the Cuban sugar trade, far from suffering the agony and bankruptcy of other nations in the area due to a drop in world market prices, is in full bloom because greater sales to the Soviet Union are foreseen for this year. We will also increase our export of nickel, citrus fruits, and other products to the Soviet market while that country will increase its shipments of food, oil, oil by-products, fertilizer, sheet iron, and machinery. Regarding the oil supply, Cuba and the Soviet Union have an agreement through which any oil we save, we can export to the international market and thus acquire the foreign exchange needed to meet commitments with the capitalist world.

As you see, the Cuban and Soviet economic and trade agreements continue to be an example of fraternal ties between two socialist countries, but basically, they are an example of the relations that should always exist between an industrialized country and a developing nation.

DPRK FOREIGN MINISTER'S VISIT CONTINUES

Meets Friendship Institute Official

FL151905 Havana Television Service in Spanish 1700 GMT 15 Jun 85

[Text] DPRK Foreign Minister Kim Yong-Nam has visited the Cuban Institute of Friendship With the Peoples [ICAP]. The foreign minister met with ICAP Acting President Mario Rodriquez. During the meeting, the friendship between the DPRK and Cuban people's was stressed. International topics were also discussed.

Offical Talks Begin

FL172255 Havana Domestic Service in Spanish 2130 GMT 17 Jun 85

[Text] Official talks between DPRK and Cuba's Foreign Ministries have begun in this capital at the Cuban Foreign Ministry's offices. Kim Yong-nam member,of the Political Bureau of the Korean Workers Party, vice premier of the State Administration Council, and DPRK foreign minister, headed his country's delegation and Isidoro Malmierca, Central Committee member and our country's foreign minister, headed the Cuban delegation.

REPORTAGE ON ACTIVITIES OF BELGIAN VISITOR

Meets Culture Minister

FL101914 Havana Television Service in Spanish 1700 GMT 10 Jun 85

[Text] Armando Hart Davalos, Politburo member and culture minister, has meet with Philippe Moreaux, executive president of the French community in Belgium, who is visiting Cuba. The meeting was cordial and the two ministers discussed subjects of national and foreign interest. During the meeting, the distinguished visitor gave his impressions of Cuba and had specific questions on tourist, economic, and historical sites that he visited.

Vists Old Havana

FL112338 Havana Domestic Service in Spanish 2300 GMT 11 Jun 85

[Text] Philippe Moreaux, executive president of the French community in Belgium, visited Old Havana this afternoon accompanied by Oscar Fernandez Mell, president of the provincial assembly of the people's government. Earlier, Fernandez Mell has received Jean Claude (Von Campbell), mayor of the Belgian city of Charleroi and member of the Politburo of the Socialist Party of Wallon.

The delegation is visiting our country in observance of the 10th celebration in Cuba of French culture in Belgium, which will run from 11 to 13 June.

Meets Montane Oropesa

FL111400 Havana Television Service in Spanish 1101 GMT 11 Jun 85

[Text] Jesus Montane Oropesa, Politburo alternate member and member of the Secretariat has received Mr Philippe Moreaux, executive president of the French community in Belgium and member of the Socialist Party Politburo and Mr(Von Campbell), mayor of Charleroi and member of the politburo of the Socialist Party of Wallon.

Meeting With Rodriguez

FL121254 Havana Domestic Service in Spanish 1000 GMT 12 Jun 85

[Text] In Havana Carlos Rafael Rodriguez, member of the Politburo and vice president of the Councils of State and Ministers, has received Phillipe Moreaux, executive president of Belgium's French-speaking community. Rodriguez and Moreaux discussed several current international issues. They analyzed the current situation and perspectives of bilateral relations between the two countries, mentioning what they had learned from the cultural conference, which was inaugurated on Tuesday.

OECS CONCLUDES SUMMIT, ISSUES COMMUNIQUE

FL171441 Bridgetown CANA in English 1850 GMT 15 Jun 85

[Text] St George's, Grenada, Jun 15, CANA -- Leaders of the seven-nation Organisation of Eastern Caribbean States (OECS) last night wound up a two-day summit in Grenada with a communique outlining their positions on several subjects discussed, including trade, civil aviation, joint representation overseas and tourism. The leaders, referred to collectively as the authority of the organisation, represent Grenada, Dominica, St Lucia, St Vincent and the Grenadines, Montserrat, St Kitts-Nevis, and Antigua-Barbuda. Following is the text of the communique:

The seventh meeting of the authority of heads of government of the Organisation of Eastern Caribbean States was held in St George's, Grenada on June 13 and 14, 1985 under the chairmanship of the Honourable Herbert Blaize, prime minister of Grenada.

The meeting was preceded by a meeting of ministers responsible for economic affairs on Wednesday, June 12. At the two-day meeting, heads of government considered a wide range of topics relating to trade and economic development and areas of functional cooperation.

The meeting agreed to the recommendation of the recent meeting of directors of tourism in the OECS countries concerning the use of funds for tourism promotion allocated under the European Development Fund. The meeting also discussed the relationship between the OECS countries and the Caribbean Tourism Research Centre and the Caribbean Tourism Association.

The authority discussed the question of the purchase of aircraft by LIAT [Leeward Island Air Transport] and decided that it would seek to ensure that in respect of the purchase of aircraft up to 1988, the company would be able to exercise all of the available options in terms of new technology aircraft.

The authority agreed to a number of proposals concerning the rationalisation of technical assistance programmes in economic policy and planning for the OECS countries, and instructed the Secretariat to undertake follow-up discussions with donor agencies in the region. In this connection, the authority also discussed strategy for OECS countries' participation in discussions of the Caribbean Group for Cooperation in Economic Development to be held in Washington next week.

The authority discussed the work of the OECS sports desk and agreed to proposals for the continuation of the activities of the desk in the forthcoming year.

The authority agreed to the appointment of an additional puisne judge and justice of appeal to facilitate the increasing workload of the Eastern Caribbean Supreme Court.

The authority reviewed the Canada-Caribbean seasonal workers programme and instructed the high commissioner in Canada to seek an expansion in the quota of workers from the OECS countries.

The meeting reviewed developments in the wrok of the joint missions in Canada and the United Kingdom and instructed the Foreign Affairs Committee to advise on measures for a restructuring of the missions in accordance with the trade and political objectives of the governments.

The authority also decided to request the Secretariat to advise on the possibilities for diplomatic and other relations with countries in Latin America.

The meeting reviewed the progress made by OECS countries in the implementation of measures agreed to at the Caricom heads of government meeting in Nassau last July in the area of intra-regional trade. It was agreed that member governments should seek to implement the necessary legislation to give effect to the obligations entered into at that meeting.

The authority also discussed the position of the OECS countries in relation to assistance under the new Lome Convention, and decided that the Secretariat should prepare proposals for the forthcoming meeting of the Caricom Common Market Council relating to increasing the quantum of assistance available for projects for OECS countries.

The authority agreed to further pursue the efforts being made in international institutions to obtain recognition of the special needs of small island developing countries in respect of economic and technical assistance, and to ensure that the OECS countries are not inhibited from receiving financial assistance on concessionary terms from the donor agencies.

The authority approved proposals from the OECS ministers of health for the establishment of a pharmaceuticals procurement system for the sub-region with donor assistance. Finally, the authority reviewed developments relating to the upgrading of the regional security system involving OECS countries and Barbados. The next meeting of the authority is scheduled to take place in November of this year.

DOMINICA

51 GENERAL ELECTION CANDIDATES ANNOUNCED

FL171519 Bridgetown CANA in English 1420 GMT 7 Jun 85

[Text] Roseau, Dominica, June 17, CANA -- Fifty-one candidates will face the Dominican electorate in the July 1 general election, the electoral office announced today. The office also said that a fourth political party -- the United Dominica Labour Party (UDLP) -- will contest the election, the second to be held here since the island attained independence from Britain in 1978. The UDLP has nominated only one person to contest the elections. He is Rosi Douglas, brother of the leader of the main opposition Labor Party of Dominica (LDP) Michael Douglas whose party will contest 19 of the 21 seats at stake. The UDLP was formally headed by Michael Douglas, and was one of two splinter labour parties said to have merged into the LPD earlier this year. No explanation has so far been given by the Douglas brothers for the surprise announcement.

The ruling Dominica Freedom Party (DFP) will contest 20 seats, while the Dominica Progressive Force which had indicated that it would contest 12 seats nominated only six candidates. There are five independents.

Just over 45,000 people are eligible to vote on July 1. Some 82 candidates contested the 1980 general election, 30 of them losing their deposits of EC 120 dollars (one EC dollar: 37 U.S. cents).

DFP'S CAMPAIGN ENSURES FREEDOM, DEMOCRATIC RIGHTS

FL171727 Bridgetown CANA in English 1550 GMT 17 Jun 85

[Text] Roseau, Dominica, June 17, CANA -- The ruling Dominica Freedom Party (DFP), which is campaigning for re-election, says it will continue to steer a course in foreign affairs which will ensure the freedom and democratic rights of Dominica and its neighbours.

At the same time we will continue to ensure that we maintain our independence and freedom of association with all those countries who choose to have friendly relations with us, without interference in (our) sovereign rights, the party's manifesto for the July 1 general election says.

The DFP, which survived three alleged coup attempts, said that if re-elected it would continue the firm and disciplined approach it had taken during the past five years to ensure that peace and stability continued.

Dominica, through Prime Minister Eugenia Charles, played a key role in the U.S.-led invasion of Grenada in October 1983, saying that its security was threatened by Marxist military government in St George's.

On the economy, the DFP said that it would seek to increase productivity in traditional sectors such as bananas and coconuts, as well as seeking to diversify the agricultural sector. We have to extend our industrial development and we have to maintain and improve the physical infrastructure, said that party in the 48-page document.

The manifesto predicts a lowering of the unemployment rate here from 13 per cent to a rate below 10 per cent. Road rehabilitation, which has been a feature of the party's first term in office, will also receive further attention, the party said, noting that a new programme for feeder roads has been finalised and will begin early in a new government.

With regards to industry and investment opportunities for the coming five years, the DFP said that given its record of initiating over 56 new projects employing well over 600 people, it was confident that it could attract more investors to the island. The party promises to look at increased investment in the hotel industry, as well as take steps to increase the number of tourists.

In the area of housing, the party says that plans are well advanced for the provision of sites with roads and other services to facilitate Dominicans owning their own homes. The DFP realises that homes for all is the basis of a proud and secure society, and it has shown how it is working towards providing this all over Dominica.

Another manifesto pledge is the undertaking of a comprehensive revision of the laws of Dominica, noting that the last time such an exercise had been undertaken was in 1961. This exercise will take into consideration the institutional, social, and political changes that have taken place since 1961 to bring them into conformity with the Constitution, laws, and legal system of Dominica, said the party.

ST LUCIA

PRIME MINISTER TERMINATES PUBLIC HEALTH UNIT

FL141801 Bonaire Trans World Radio in English 1130 GMT 14 Jun 85

[Text] St Lucia Prime Minister John Compton, complaining about his country's lack of financial discipline, announced the termination of the Public Health Engineering, Research, and Control Unit, but assured that there are no plans for massive retrenchment of workers in the public sector. Mr Compton gave this assurance to National Workers Union members, but also said that massive demands made by the labor union are responsible for overburdening government finances. The union has warned that the government's intention is to retrench over 100 workers.